
State:	Vermont	Filing Company:	TVHP
TOI/Sub-TOI:	ML02 Multi-Line - Other/ML02.000 Multi-Line - Other		
Product Name:	2014 TVHP Provision for Large Claims Filing		
Project Name/Number:	/		

Filing at a Glance

Company:	TVHP
Product Name:	2014 TVHP Provision for Large Claims Filing
State:	Vermont
TOI:	ML02 Multi-Line - Other
Sub-TOI:	ML02.000 Multi-Line - Other
Filing Type:	GMCB Trend / Admin Charge
Date Submitted:	01/14/2014
SERFF Tr Num:	BCVT-129374083
SERFF Status:	Pending Industry Response
State Tr Num:	
State Status:	
Co Tr Num:	
Implementation	On Approval
Date Requested:	
Author(s):	Vince Mace, Pam Young, Seth Abbene, Jude Daye, Martine Brisson-Lemieux
Reviewer(s):	Thomas Crompton (primary), Kelly Macnee, David Dillon, Jacqueline Lee, Judith Henkin
Disposition Date:	
Disposition Status:	
Implementation Date:	
State Filing Description:	

State: Vermont
TOI/Sub-TOI: ML02 Multi-Line - Other/ML02.000 Multi-Line - Other
Product Name: 2014 TVHP Provision for Large Claims Filing
Project Name/Number: /

Filing Company: TVHP

General Information

Project Name: Status of Filing in Domicile:
Project Number: Date Approved in Domicile:
Requested Filing Mode: Review & Approval Domicile Status Comments:
Explanation for Combination/Other: Market Type: Group
Submission Type: New Submission Group Market Size: Large
Group Market Type: Employer Overall Rate Impact:
Filing Status Changed: 02/03/2014
State Status Changed: Deemer Date:
Created By: Jude Daye Submitted By: Jude Daye
Corresponding Filing Tracking Number:

Filing Description:
January 10, 2014

Judith Henkin, Esq.
Health Policy Director
Green Mountain Care Board
89 Main Street, Third Floor, City Center
Montpelier, Vermont 05620

Subject: The Vermont Health Plan - NAIC # 95696
Provision for Large Claims Filing for 2014

Dear Ms. Henkin:

Enclosed for your review and approval is The Vermont Health Plan's (TVHP) Provision for Large Claims filing for 2014. This filing provides pooling factors to be used in the experience rating of TVHP Large Group business.

Please let me know if we can answer any questions or provide further information during your review.

Sincerely,

Kevin Goddard

cc: Tom Crompton / GMCB
Ruth Greene / BCBSVT
Vince Mace / BCBSVT
Paul Schultz/BCBSVT

Company and Contact

Filing Contact Information

Jude Daye, Executive Assistant dayej@bcbsvt.com
445 Industrial Lane 802-371-3244 [Phone]
Montpelier, VT 05601

SERFF Tracking #: BCVT-129374083**State Tracking #:****Company Tracking #:**

State: Vermont**Filing Company:** TVHP**TOI/Sub-TOI:** ML02 Multi-Line - Other/ML02.000 Multi-Line - Other**Product Name:** 2014 TVHP Provision for Large Claims Filing**Project Name/Number:** /

Filing Company Information

TVHP	CoCode: 95696	State of Domicile: Vermont
PO BOX 186	Group Code:	Company Type: HMO
Montpelier, VT 05601	Group Name:	State ID Number:
(802) 371-3450 ext. [Phone]	FEIN Number: 03-0354356	

Filing Fees

Fee Required? No

Retaliatory? No

Fee Explanation:

SERFF Tracking #:	BCVT-129374083	State Tracking #:	Company Tracking #:
State:	Vermont	Filing Company:	TVHP
TOI/Sub-TOI:	ML02 Multi-Line - Other/ML02.000 Multi-Line - Other		
Product Name:	2014 TVHP Provision for Large Claims Filing		
Project Name/Number:	/		

Correspondence Summary

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Response	Jacqueline Lee	01/17/2014	01/17/2014

Response Letters

Responded By	Created On	Date Submitted
Martine Brisson-Lemieux	01/22/2014	01/22/2014

State:	Vermont	Filing Company:	TVHP
TOI/Sub-TOI:	ML02 Multi-Line - Other/ML02.000 Multi-Line - Other		
Product Name:	2014 TVHP Provision for Large Claims Filing		
Project Name/Number:	/		

Objection Letter

Objection Letter Status	Pending Response
Objection Letter Date	01/17/2014
Submitted Date	01/17/2014
Respond By Date	01/21/2014

Dear Jude Daye,

Introduction:

Please see the attached objection letter. Please respond no later than the end of day on January 21, 2014.

Conclusion:

Sincerely,

Jacqueline Lee

**Dallas**

Glenn A. Tobleman, F.S.A., F.C.A.S.
S. Scott Gibson, F.S.A.
Cabe W. Chadick, F.S.A.
Michael A. Mayberry, F.S.A.
David M. Dillon, F.S.A.
Gregory S. Wilson, F.C.A.S.
Steven D. Bryson, F.S.A.
Bonnie S. Albritton, F.S.A.
Brian D. Rankin, F.S.A.
Wesley R. Campbell, F.S.A.
Jacqueline B. Lee, F.S.A.
Robert E. Gove, A.S.A.
J. Finn Knox-Seith, A.S.A.
Brian C. Stentz, A.S.A.
Jay W. Fuller, A.S.A.
Sujaritha Tansen, A.S.A.
Josh A. Hammerquist, A.S.A.
Xiaoxiao (Lisa) Jiang, A.S.A.
Jennifer M. Allen, A.S.A.
Sergei Mordovin, A.S.A.
Robert B. Thomas, Jr., F.S.A., C.F.A. (Of Counsel)

Kansas City

Gary L. Rose, F.S.A.
Terry M. Long, F.S.A.
David L. Batchelder, A.S.A.
Leon L. Langlitz, F.S.A.
Gary R. McElwain, FLMI
Anthony G. Proulx, F.S.A.
Thomas L. Handley, F.S.A.
D. Patrick Glenn, A.S.A., A.C.A.S.
Christopher H. Davis, F.S.A.
Karen E. Elsom, F.S.A.
Jill J. Humes, F.S.A.

London / Kansas City

Roger K. Annin, F.S.A.
Timothy A. DeMars, F.S.A.
Scott E. Morrow, F.S.A.

Baltimore

David A. Palmer, C.F.E.

January 17, 2014

Jude Daye, Executive Assistant
The Vermont Health Plan
PO Box 186
Montpelier, VT 05601

Re: The Vermont Health Plan
2014 TVHP Provision for Large Claims
SERFF Tracking #: BCVT-129374083

Dear Jude Daye:

We have been retained by the Green Mountain Care Board ("GMCB") to review the above referenced group products filing submitted on 1/14/2014. The following additional information is required for this filing.

1. Please submit the SERFF PDF Pipelines with all communications for the previously approved version of this filing and the filing that is referenced specifically in the Actuarial Memorandum.
2. If applicable, please update Exhibit 2 to include 2011 experience.
3. Based on the current sales distribution, what is the average change in the updated factors?

Please be aware that we expect to have further questions regarding the filing as the review continues.

To ensure that the review of your filing has been completed before statutory deadlines, we expect you to respond as expeditiously as possible to every objection in our letter, but no later than January 21, 2014. Note that the responses can be submitted separately and do not have to be submitted all at the same time.

We trust that you understand these forms may not be used in Vermont until they are formally approved by the GMCB.

Sincerely,

A handwritten signature in black ink that reads "Josh Hammerquist". The signature is written in a cursive, flowing style.

Josh Hammerquist A.S.A., M.A.A.A.
Assistant Vice President & Consulting Actuary
Lewis & Ellis, Inc.
jhammerquist@lewisellis.com
(972)850-0850

SERFF Tracking #:	BCVT-129374083	State Tracking #:	Company Tracking #:
State:	Vermont	Filing Company:	TVHP
TOI/Sub-TOI:	ML02 Multi-Line - Other/ML02.000 Multi-Line - Other		
Product Name:	2014 TVHP Provision for Large Claims Filing		
Project Name/Number:	/		

Response Letter

Response Letter Status	Submitted to State
Response Letter Date	01/22/2014
Submitted Date	01/22/2014

Dear Thomas Crompton,

Introduction:

Attached please find the response to the "objection" to the 2014 TVHP Provision for Large Claims Filing

Response 1

Comments:

Required documents attached.

Changed Items:

Supporting Document Schedule Item Changes	
Satisfied - Item:	Response Letter for TVHP 2014 Provision for Large Claims
Comments:	
Attachment(s):	Response to TVHP 2014 Provision for Large Claims Actuarial Review Interrogatories- 01 17 2014.pdf BCVT-128829841 - TVHP 2013 Provision for Large Claims Filing.pdf

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Sincerely,

Martine Brisson-Lemieux

SERFF Tracking #:	BCVT-129374083	State Tracking #:	Company Tracking #:
State:	Vermont	Filing Company:	TVHP
TOI/Sub-TOI:	ML02 Multi-Line - Other/ML02.000 Multi-Line - Other		
Product Name:	2014 TVHP Provision for Large Claims Filing		
Project Name/Number:	/		

Supporting Document Schedules

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	2014 TVHP Provision for Large Claims Filing - Actuarial Memorandum.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Civil Union Rating Requirements
Bypass Reason:	Not required.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Filing Compliance Certification
Comments:	
Attachment(s):	Filing Compliance Certification.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Third Party Filing Authorization
Bypass Reason:	BCBSVT does not use a Third Party to submit filings.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Plain Language Summary
Comments:	
Attachment(s):	2014 TVHP Provision for Large Claims Filing - Plan Language Summary.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Exhibits
Comments:	

SERFF Tracking #:	BCVT-129374083	State Tracking #:		Company Tracking #:	
State:	Vermont	Filing Company:	TVHP		
TOI/Sub-TOI:	ML02 Multi-Line - Other/ML02.000 Multi-Line - Other				
Product Name:	2014 TVHP Provision for Large Claims Filing				
Project Name/Number:	/				

Attachment(s):	2014 TVHP Provision for Large Claims Filing - Exhibit 1.pdf 2014 TVHP Provision for Large Claims Filing - Exhibit 2.pdf 2014 TVHP Provision for Large Claims Filing - Exhibit 3.pdf 2014 TVHP Provision for Large Claims Filing - Exhibit 4.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Response Letter for TVHP 2014 Provision for Large Claims
Comments:	
Attachment(s):	Response to TVHP 2014 Provision for Large Claims Actuarial Review Interrogatories- 01 17 2014.pdf BCVT-128829841 - TVHP 2013 Provision for Large Claims Filing.pdf
Item Status:	
Status Date:	

The Vermont Health Plan Provision for Large Claims Filing for 2014 Actuarial Memorandum

Summary

The purpose of this filing is to re-price the provision for large claims factors to be used in the pricing of The Vermont Health Plan's (TVHP) experience-rated groups.

We intend to apply these factors to determine rates for groups that are renewing or applying for coverage with TVHP. The factors will be used for renewals or proposals delivered 10 or more business days after the date of approval of this filing, through 10 business days after the approval of a successor filing.

Provision for Large Claims Development

In order to develop the provision for large claims factors, allowed charges and paid claims through September 30, 2013 were analyzed for the experience years ending December 31, 2011 and December 31, 2012. Only amounts for BCBSVT and TVHP members in underwritten or Cost Plus groups were included in the experience data. Capitated services and claims incurred by Medicare-eligible members were excluded. Any groups that do not include prescription drugs as a covered expense under their BCBSVT/TVHP benefit plan were excluded.

In prior filings, although BCBSVT/TVHP processed all managed mental health claims, the coverage was capitated and provided via an external vendor, and therefore was excluded from the stop loss analysis. Because managed mental health coverage is now provided by BCBSVT/TVHP, we are including the history of such allowed charges and claims in this year's analysis.

Claims to Allowed Charges

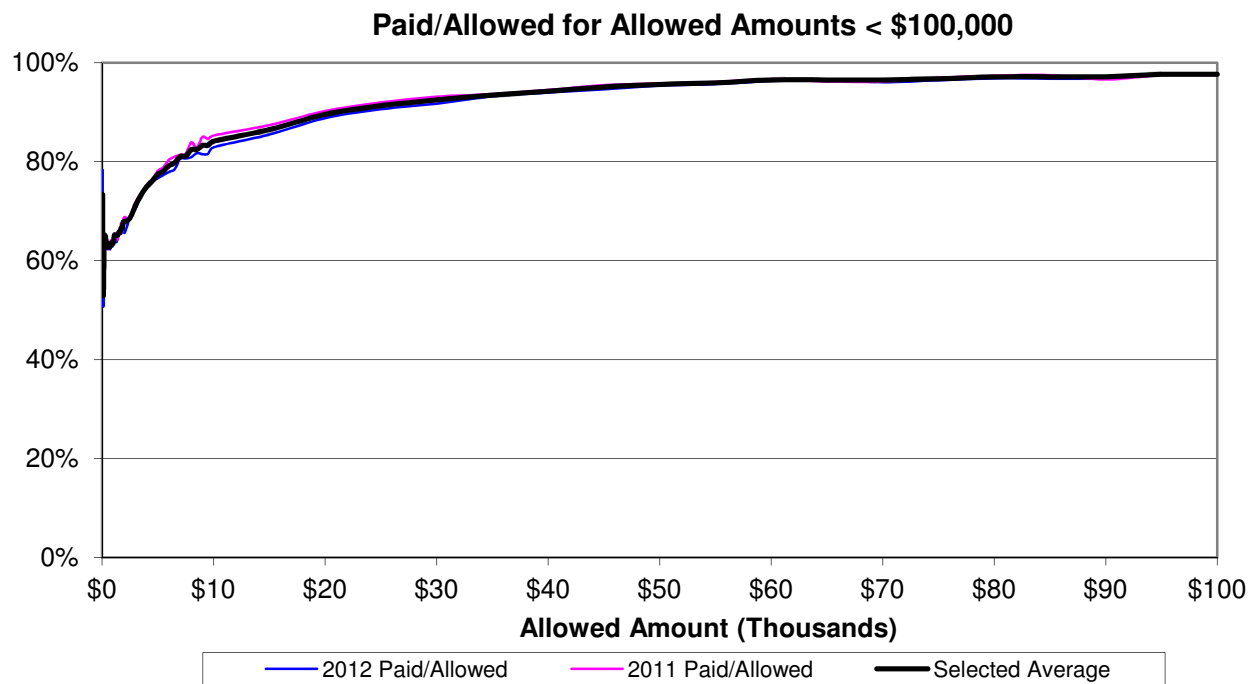
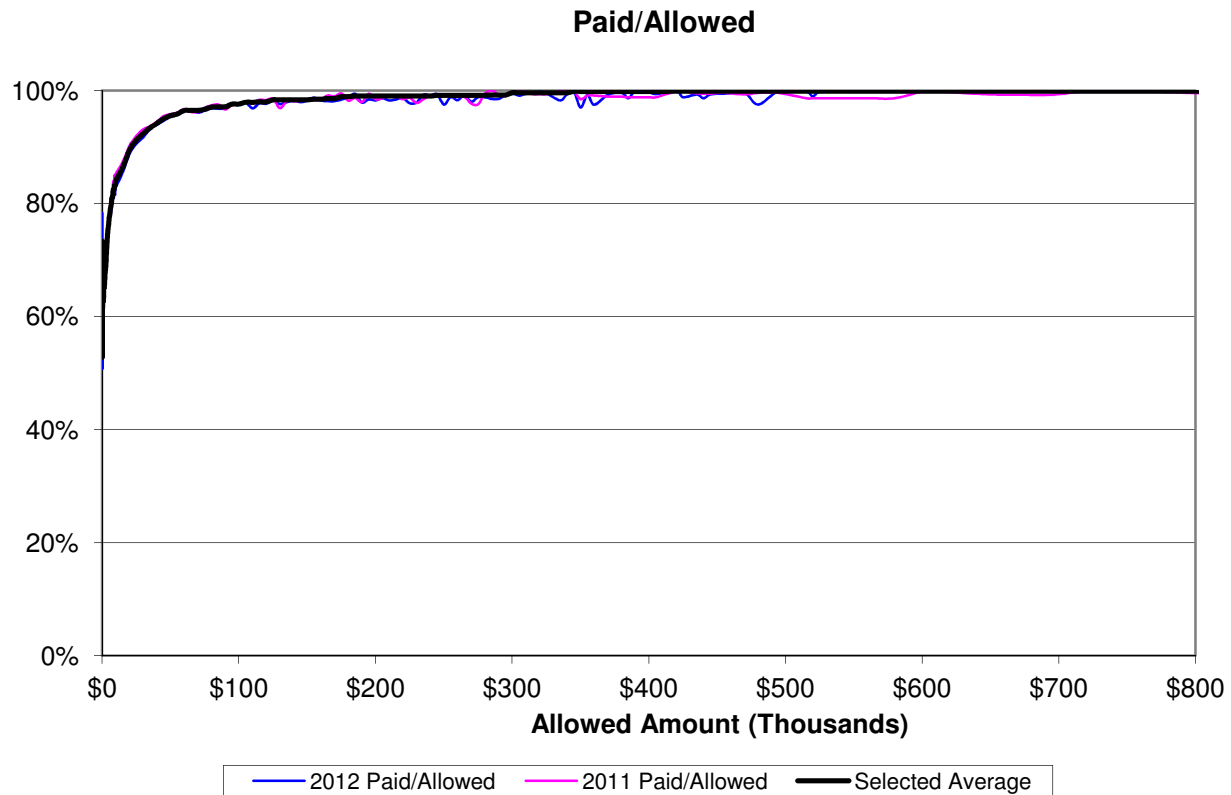
For each experience year, allowed charges and claim amounts were totaled for each claimant. These were then sorted into categories by the amount of allowed charges. The categories used were:

- \$0 up to \$50
- \$50 up to \$100
- \$100 up to \$200...\$1,900 up to \$2,000
- \$2,000 up to \$2,500...\$9,500 up to \$10,000
- \$10,000 up to \$15,000...

For each category, the ratio of the amount of the paid claim to the amount of allowed charges was calculated. The corresponding ratios for each year were averaged and the resulting ratios at allowed amounts greater than \$1,000 were smoothed. The high-to-low-to-high pattern of the ratios observed at allowed amounts less than \$1,000 was maintained; presumably this pattern is due to the increased provision and use of preventive benefits covered at no charge. The result was a table of paid claims to allowed charges factors.

The following graphs show the observed and selected average paid/allowed factors:

The Vermont Health Plan Provision for Large Claims Filing for 2014 Actuarial Memorandum



The Vermont Health Plan Provision for Large Claims Filing for 2014 Actuarial Memorandum

Trended Claims

We calculated the charge factors assuming experience periods begin on the first day of the quarter.

The allowed amounts by claimant for 2011 were trended by the observed trend from 2011 to 2012, and then by 4.1% per annum (the overall trend factor implied by the uncapped allowed combined trend in the approved Q1-Q2 2014 BCBSVT Trend filing). The allowed amounts for 2012 were trended forward at 4.1% per annum. For each claimant record, a claim amount was calculated by applying the appropriate factor from the paid/allowed amount factor table. A projected claim file was built by combining the trended 2011 records with two copies of the trended 2012 records (thus weighting the 2012 experience twice as heavily as the 2011 experience). For a set of limits (in increments of \$5,000) the amounts in excess of the limit for each claim and the amounts under the limit for each claim were totaled, and the ratio of these calculated. This produced a factor, for each limit value, expressing claims above the limit in terms of claims below the limit.

A distribution of claims by amount was also generated from the 2013 Milliman Health Cost Guidelines distribution of allowed charges (adjusted for Vermont), by trending the distribution to produce the same expected average annual allowed charge per member as the trended BCBSVT/TVHP distribution, and then applying the paid/allowed factors calculated above. Factors for claims above the limit as a percentage of those below the limit were calculated from this distribution.

The development of credibility factors to be applied to the BCBSVT/TVHP factors (versus the Milliman factors) begins, as in previous filings, with the Q1 2008 established criteria of 1.00 for a \$30,000 limit, reduced uniformly to 0.01 for a \$195,000 limit. The \$30,000 and \$195,000 boundary values are increased by trend from Q1 2008 for all subsequent quarters.

For each limit, the expected claims over the limit as a percentage of claims below the limit factors were then developed by applying the credibility factor to the factor based on BCBSVT/TVHP experience and adding (1-credibility factor) applied to the adjusted factors from the Milliman data. This calculation is demonstrated in Exhibit 1.

Exhibit 2 demonstrates the pooling charge experience, as compared to expected from the previous approved filings, for 2012. In part because TVHP was ordered to reduce the 2013 Stop Loss filing's pricing factors by 4%¹, the actual-to-expected comparison shown on page 1 in this exhibit is very unfavorable for 2012.

We believe that our methodology for determining individual stop loss pooling factors is a sound one. We expect there will be some degree of fluctuation from year to year, due to the nature of high claims and the variability of such claims from year to year. Variations in basic assumptions, such as trend, can result in a systematic variance in the stop loss experience which in no way reflects a bias in the method. We do not think adjustments for good or bad experience in any particular year should be made. For this reason, we did not find it necessary to load the 2014 factors for the poor experience observed in 2012.

¹ Green Mountain Care Board decision, GMCB-020-13-rr, dated August 5, 2013.

The Vermont Health Plan Provision for Large Claims Filing for 2014 Actuarial Memorandum

Provision for Large Claims Factors

For TVHP experience rated business, the expected claims over the limit as a percentage of claims below the limit factors developed above are used to estimate claims over the pooling limit from the experience claims below the pooling limit. Exhibit 3 shows the provision for large claims factors for experience rated cases with experience periods starting quarters Q4 2012 through Q1 2014.

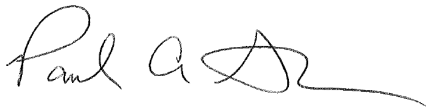
Net Cost of Reinsurance

TVHP has purchased reinsurance for claims in excess of \$250,000 for 2014, and expects to purchase similar reinsurance in future years with limits approximately equal to the 2014 limit increased by trend. We estimate that the target loss ratio for the reinsurance is approximately 75%, which implies a cost of reinsurance of approximately 33% of claims above the reinsurance limit. For each pricing period starting quarter, we determined an annual cost of reinsurance for the trended reinsurance limit by multiplying the expected annual claims cost above the limit by 33%. Dividing this by 12 produces the PMPM cost of reinsurance. The table of PMPM's, based on pricing period starting quarter, is shown in Exhibit 4.

Actuarial Certification

I am a Fellow of the Society of Actuaries, a Member of the American Academy of Actuaries, and I meet the Academy's qualification standards for rendering opinions with regard to health rate filings.

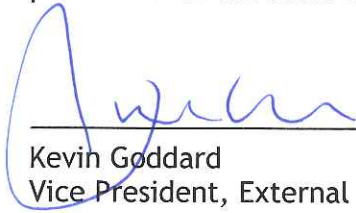
Based on my review of the block's underlying experience and methods applied, it is my opinion that the factors set forth in this filing are adequate and are neither excessive nor unfairly discriminatory.



Paul Schultz, F.S.A., M.A.A.A.

January 6, 2014

I HEREBY CERTIFY that I have reviewed the applicable filing requirements for this filing, and, to the best of my knowledge, the filing complies with all applicable statutory and regulatory provisions for the state of Vermont

A handwritten signature in blue ink, appearing to read "Kevin Goddard", is written over a horizontal line.

Kevin Goddard
Vice President, External Affairs and Sales

1/13/14

Date

**The Vermont Health Plan
2014 Factor Filing
Plain Language Summary**

The purpose of this filing is to determine new factors applicable to large claim adjustment in the rating of experience-rated large groups. These factors will be applied to groups renewing or applying for coverage with The Vermont Health Plan (TVHP) for proposals delivered 10 or more business days after the approval of this filing.

The TVHP Merit Rating formula includes a mechanism that removes individual claims above a certain level from the base experience, and replaces those amounts with a large claim pooling charge. This makes health care more affordable for Vermonters by preventing a certain group from being penalized for a large claim event unlikely to repeat in future years, instead spreading the cost of such events across all plan sponsors. This reduces volatility in rates for all groups.

Pooling factors for large claim adjustments are developed through a credibility-weighted blending of actual BCBSVT experience with claims distributions taken from the 2013 Milliman Health Cost Guidelines. Trend factors are a key input item. These are taken from the most recently approved trend filings.

We believe that our methodology for determining large claim pooling factors is a sound one. We expect there will be some degree of fluctuation from year to year, due to the nature of high claims and the variability of such claims from year to year. Variations in basic assumptions, such as trend, can result in a systematic variance in the stop loss experience which in no way reflects a bias in the method.

The Vermont Health Plan
Provision for Large Claims Filing for 2014
Expected Large Claims Factor Development
Experience Period Starting Q4 2012

Exhibit 1

a	b	c	d	e= b*d+c*(1-d)
<u>Limits</u>	<u>BCBSVT</u>	<u>Milliman</u>	<u>Credibility</u>	<u>Merit net claim factor</u>
30,000	35.7%	36.5%	100%	35.7%
35,000	31.0%	31.9%	100%	31.0%
40,000	27.4%	28.3%	98%	27.4%
45,000	24.5%	25.4%	95%	24.5%
50,000	22.1%	23.0%	93%	22.1%
55,000	20.1%	21.0%	90%	20.1%
60,000	18.4%	19.2%	88%	18.5%
65,000	16.9%	17.7%	85%	17.0%
70,000	15.6%	16.4%	83%	15.7%
75,000	14.5%	15.3%	80%	14.6%
80,000	13.5%	14.2%	78%	13.6%
85,000	12.5%	13.4%	75%	12.8%
90,000	11.7%	12.5%	73%	12.0%
95,000	11.0%	11.8%	70%	11.2%
100,000	10.3%	11.1%	68%	10.6%
105,000	9.7%	10.5%	65%	10.0%
110,000	9.2%	10.0%	63%	9.5%
115,000	8.7%	9.4%	60%	9.0%
120,000	8.2%	9.0%	58%	8.5%
125,000	7.8%	8.6%	55%	8.1%
130,000	7.4%	8.2%	53%	7.8%
135,000	7.0%	7.8%	50%	7.4%
140,000	6.7%	7.4%	48%	7.1%
145,000	6.4%	7.1%	45%	6.8%
150,000	6.1%	6.8%	43%	6.5%
155,000	5.8%	6.5%	40%	6.2%
160,000	5.6%	6.3%	38%	6.0%
165,000	5.3%	6.1%	35%	5.8%
170,000	5.1%	5.8%	33%	5.6%
175,000	4.9%	5.6%	30%	5.4%
180,000	4.7%	5.4%	28%	5.2%
185,000	4.5%	5.2%	25%	5.0%
190,000	4.3%	5.0%	23%	4.9%
195,000	4.1%	4.9%	20%	4.7%
200,000	4.0%	4.7%	18%	4.6%

The Vermont Health Plan
Provision for Large Claims Filing for 2014
Expected Large Claims Factor Development
Experience Period Starting Q4 2012

Exhibit 1

a	b	c	d	e= b*d+c*(1-d)
<u>Limits</u>	<u>BCBSVT</u>	<u>Milliman</u>	<u>Credibility</u>	<u>Merit net claim factor</u>
205,000	3.8%	4.5%	15%	4.4%
210,000	3.7%	4.4%	13%	4.3%
215,000	3.5%	4.2%	10%	4.2%
220,000	3.4%	4.1%	8%	4.1%
225,000	3.3%	4.0%	5%	3.9%
230,000	3.2%	3.9%	3%	3.8%
235,000	3.0%	3.7%	0%	3.7%
240,000	2.9%	3.6%	0%	3.6%
245,000	2.8%	3.5%	0%	3.5%
250,000	2.8%	3.4%	0%	3.4%
255,000	2.7%	3.3%	0%	3.3%
260,000	2.6%	3.2%	0%	3.2%
265,000	2.5%	3.1%	0%	3.1%
270,000	2.4%	3.1%	0%	3.1%
275,000	2.4%	3.0%	0%	3.0%
280,000	2.3%	2.9%	0%	2.9%
285,000	2.2%	2.8%	0%	2.8%
290,000	2.2%	2.7%	0%	2.7%
295,000	2.1%	2.6%	0%	2.6%
300,000	2.0%	2.6%	0%	2.6%
305,000	2.0%	2.5%	0%	2.5%
310,000	1.9%	2.5%	0%	2.5%
315,000	1.9%	2.4%	0%	2.4%
320,000	1.8%	2.3%	0%	2.3%
325,000	1.8%	2.3%	0%	2.3%
330,000	1.8%	2.2%	0%	2.2%
335,000	1.7%	2.2%	0%	2.2%
340,000	1.7%	2.1%	0%	2.1%
345,000	1.6%	2.0%	0%	2.0%
350,000	1.6%	2.0%	0%	2.0%
355,000	1.6%	1.9%	0%	1.9%
360,000	1.5%	1.9%	0%	1.9%
365,000	1.5%	1.9%	0%	1.9%
370,000	1.5%	1.8%	0%	1.8%
375,000	1.4%	1.8%	0%	1.8%

The Vermont Health Plan
Provision for Large Claims Filing for 2014
Expected Large Claims Factor Development
Experience Period Starting Q4 2012

Exhibit 1

a	b	c	d	e= b*d+c*(1-d)
<u>Limits</u>	<u>BCBSVT</u>	<u>Milliman</u>	<u>Credibility</u>	<u>Merit net claim factor</u>
380,000	1.4%	1.7%	0%	1.7%
385,000	1.4%	1.7%	0%	1.7%
390,000	1.3%	1.7%	0%	1.7%
395,000	1.3%	1.6%	0%	1.6%
400,000	1.3%	1.6%	0%	1.6%
405,000	1.2%	1.5%	0%	1.5%
410,000	1.2%	1.5%	0%	1.5%
415,000	1.2%	1.5%	0%	1.5%
420,000	1.2%	1.4%	0%	1.4%
425,000	1.1%	1.4%	0%	1.4%
430,000	1.1%	1.4%	0%	1.4%
435,000	1.1%	1.4%	0%	1.4%
440,000	1.1%	1.3%	0%	1.3%
445,000	1.0%	1.3%	0%	1.3%
450,000	1.0%	1.3%	0%	1.3%
455,000	1.0%	1.2%	0%	1.2%
460,000	1.0%	1.2%	0%	1.2%
465,000	0.9%	1.2%	0%	1.2%
470,000	0.9%	1.2%	0%	1.2%
475,000	0.9%	1.1%	0%	1.1%
480,000	0.9%	1.1%	0%	1.1%
485,000	0.9%	1.1%	0%	1.1%
490,000	0.8%	1.1%	0%	1.1%
495,000	0.8%	1.1%	0%	1.1%
500,000	0.8%	1.0%	0%	1.0%
505,000	0.8%	1.0%	0%	1.0%
510,000	0.8%	1.0%	0%	1.0%
515,000	0.8%	1.0%	0%	1.0%
520,000	0.7%	0.9%	0%	0.9%
525,000	0.7%	0.9%	0%	0.9%
530,000	0.7%	0.9%	0%	0.9%
535,000	0.7%	0.9%	0%	0.9%
540,000	0.7%	0.9%	0%	0.9%
545,000	0.7%	0.9%	0%	0.9%
550,000	0.7%	0.9%	0%	0.9%

The Vermont Health Plan
Provision for Large Claims Filing for 2014
Expected Large Claims Factor Development
Experience Period Starting Q4 2012

Exhibit 1

a	b	c	d	e= b*d+c*(1-d)
<u>Limits</u>	<u>BCBSVT</u>	<u>Milliman</u>	<u>Credibility</u>	<u>Merit net claim factor</u>
555,000	0.7%	0.8%	0%	0.8%
560,000	0.7%	0.8%	0%	0.8%
565,000	0.6%	0.8%	0%	0.8%
570,000	0.6%	0.8%	0%	0.8%
575,000	0.6%	0.8%	0%	0.8%
580,000	0.6%	0.8%	0%	0.8%
585,000	0.6%	0.7%	0%	0.7%
590,000	0.5%	0.7%	0%	0.7%
595,000	0.5%	0.7%	0%	0.7%
600,000	0.5%	0.7%	0%	0.7%
605,000	0.5%	0.7%	0%	0.7%
610,000	0.5%	0.7%	0%	0.7%
615,000	0.4%	0.6%	0%	0.6%
620,000	0.4%	0.6%	0%	0.6%
625,000	0.4%	0.6%	0%	0.6%
630,000	0.4%	0.6%	0%	0.6%
635,000	0.4%	0.6%	0%	0.6%
640,000	0.4%	0.6%	0%	0.6%
645,000	0.4%	0.6%	0%	0.6%
650,000	0.4%	0.6%	0%	0.6%
655,000	0.4%	0.6%	0%	0.6%
660,000	0.4%	0.6%	0%	0.6%
665,000	0.4%	0.6%	0%	0.6%
670,000	0.3%	0.6%	0%	0.6%
675,000	0.3%	0.5%	0%	0.5%
680,000	0.3%	0.5%	0%	0.5%
685,000	0.3%	0.5%	0%	0.5%
690,000	0.3%	0.5%	0%	0.5%
695,000	0.3%	0.5%	0%	0.5%
700,000	0.3%	0.5%	0%	0.5%
705,000	0.3%	0.5%	0%	0.5%
710,000	0.3%	0.5%	0%	0.5%
715,000	0.3%	0.5%	0%	0.5%
720,000	0.3%	0.5%	0%	0.5%
725,000	0.3%	0.5%	0%	0.5%

The Vermont Health Plan
Provision for Large Claims Filing for 2014
Expected Large Claims Factor Development
Experience Period Starting Q4 2012

Exhibit 1

a	b	c	d	e= b*d+c*(1-d)
<u>Limits</u>	<u>BCBSVT</u>	<u>Milliman</u>	<u>Credibility</u>	<u>Merit net claim factor</u>
730,000	0.3%	0.5%	0%	0.5%
735,000	0.2%	0.5%	0%	0.5%
740,000	0.2%	0.5%	0%	0.5%
745,000	0.2%	0.4%	0%	0.4%
750,000	0.2%	0.4%	0%	0.4%
755,000	0.2%	0.4%	0%	0.4%
760,000	0.2%	0.4%	0%	0.4%
765,000	0.2%	0.4%	0%	0.4%
770,000	0.2%	0.4%	0%	0.4%
775,000	0.2%	0.4%	0%	0.4%
780,000	0.2%	0.4%	0%	0.4%
785,000	0.2%	0.4%	0%	0.4%
790,000	0.2%	0.4%	0%	0.4%
795,000	0.2%	0.4%	0%	0.4%
800,000	0.2%	0.4%	0%	0.4%
805,000	0.2%	0.4%	0%	0.4%
810,000	0.2%	0.3%	0%	0.3%
815,000	0.2%	0.3%	0%	0.3%
820,000	0.2%	0.3%	0%	0.3%
825,000	0.2%	0.3%	0%	0.3%
830,000	0.2%	0.3%	0%	0.3%
835,000	0.2%	0.3%	0%	0.3%
840,000	0.2%	0.3%	0%	0.3%
845,000	0.1%	0.3%	0%	0.3%
850,000	0.1%	0.3%	0%	0.3%
855,000	0.1%	0.3%	0%	0.3%
860,000	0.1%	0.3%	0%	0.3%
865,000	0.1%	0.3%	0%	0.3%
870,000	0.1%	0.3%	0%	0.3%
875,000	0.1%	0.3%	0%	0.3%
880,000	0.1%	0.3%	0%	0.3%
885,000	0.1%	0.3%	0%	0.3%
890,000	0.1%	0.3%	0%	0.3%
895,000	0.1%	0.3%	0%	0.3%
900,000	0.1%	0.3%	0%	0.3%

The Vermont Health Plan
Provision for Large Claims Filing for 2014
Expected Large Claims Factor Development
Experience Period Starting Q4 2012

Exhibit 1

a	b	c	d	e= b*d+c*(1-d)
<u>Limits</u>	<u>BCBSVT</u>	<u>Milliman</u>	<u>Credibility</u>	<u>Merit net claim factor</u>
905,000	0.1%	0.3%	0%	0.3%
910,000	0.1%	0.3%	0%	0.3%
915,000	0.1%	0.3%	0%	0.3%
920,000	0.1%	0.3%	0%	0.3%
925,000	0.1%	0.3%	0%	0.3%
930,000	0.1%	0.3%	0%	0.3%
935,000	0.1%	0.3%	0%	0.3%
940,000	0.1%	0.3%	0%	0.3%
945,000	0.1%	0.3%	0%	0.3%
950,000	0.1%	0.2%	0%	0.2%
955,000	0.1%	0.2%	0%	0.2%
960,000	0.1%	0.2%	0%	0.2%
965,000	0.1%	0.2%	0%	0.2%
970,000	0.1%	0.2%	0%	0.2%
975,000	0.1%	0.2%	0%	0.2%
980,000	0.1%	0.2%	0%	0.2%
985,000	0.0%	0.2%	0%	0.2%
990,000	0.0%	0.2%	0%	0.2%
995,000	0.0%	0.2%	0%	0.2%
1,000,000	0.0%	0.2%	0%	0.2%

**The Vermont Health Plan
Provision for Large Claims Filing for 2014**

Exhibit 2

Experience

The following table shows the pooling charge experience, as compared to expected, for 2012:

2012			
Attachment Point	<u>% of claims below attachment point</u>		
	Pricing Expected Claims**	2012 Observed Claims	A/E claims
\$35,000	26.7%	31.3%	117%
\$45,000	20.9%	24.7%	118%
\$60,000	15.6%	18.5%	119%
\$80,000	11.4%	13.6%	119%
\$100,000	8.8%	10.4%	119%
\$125,000	6.7%	7.9%	118%
\$175,000	4.3%	4.9%	114%
\$200,000	3.5%	4.0%	112%
\$225,000	2.9%	3.3%	113%
\$275,000	2.1%	2.4%	115%
\$300,000	1.8%	2.1%	115%
\$350,000	1.3%	1.6%	126%

** Per the amended and approved Stop Loss filing, VFN 63888

The Vermont Health Plan
Provision for Large Claims Filing for 2014
Merit Pooling Charge Factors

Exhibit 3

<u>Limit</u>	<u>Experience Period Starting Quarter</u>					
	<u>Q4 2012</u>	<u>Q1 2013</u>	<u>Q2 2013</u>	<u>Q3 2013</u>	<u>Q4 2013</u>	<u>Q1 2014</u>
	<u>claim*</u>	<u>claim*</u>	<u>claim*</u>	<u>claim*</u>	<u>claim*</u>	<u>claim*</u>
	<u>factor</u>	<u>factor</u>	<u>factor</u>	<u>factor</u>	<u>factor</u>	<u>factor</u>
\$30,000	35.66%	35.97%	36.28%	36.60%	36.92%	37.24%
\$35,000	31.00%	31.28%	31.55%	31.83%	32.12%	32.40%
\$40,000	27.38%	27.63%	27.88%	28.13%	28.39%	28.65%
\$45,000	24.46%	24.69%	24.92%	25.15%	25.39%	25.62%
\$50,000	22.05%	22.26%	22.47%	22.69%	22.90%	23.12%
\$55,000	20.06%	20.25%	20.45%	20.65%	20.84%	21.05%
\$60,000	18.35%	18.54%	18.72%	18.90%	19.09%	19.28%
\$65,000	16.90%	17.07%	17.24%	17.41%	17.59%	17.76%
\$70,000	15.61%	15.77%	15.94%	16.11%	16.27%	16.44%
\$75,000	14.46%	14.62%	14.78%	14.94%	15.10%	15.26%
\$80,000	13.45%	13.60%	13.75%	13.90%	14.05%	14.20%
\$85,000	12.55%	12.69%	12.83%	12.97%	13.12%	13.27%
\$90,000	11.73%	11.87%	12.00%	12.14%	12.28%	12.42%
\$95,000	10.99%	11.12%	11.25%	11.38%	11.52%	11.65%
\$100,000	10.33%	10.45%	10.57%	10.70%	10.83%	10.95%
\$105,000	9.72%	9.84%	9.96%	10.08%	10.20%	10.32%
\$110,000	9.17%	9.28%	9.39%	9.51%	9.63%	9.74%
\$115,000	8.66%	8.77%	8.88%	8.99%	9.10%	9.21%
\$120,000	8.20%	8.30%	8.41%	8.51%	8.62%	8.73%
\$125,000	7.78%	7.88%	7.98%	8.08%	8.18%	8.28%
\$130,000	7.38%	7.48%	7.58%	7.67%	7.77%	7.87%
\$135,000	7.02%	7.11%	7.21%	7.30%	7.39%	7.49%
\$140,000	6.69%	6.78%	6.87%	6.96%	7.05%	7.14%
\$145,000	6.38%	6.46%	6.55%	6.64%	6.72%	6.81%
\$150,000	6.08%	6.17%	6.25%	6.34%	6.42%	6.51%
\$155,000	5.81%	5.89%	5.97%	6.05%	6.13%	6.22%
\$160,000	5.55%	5.63%	5.71%	5.79%	5.87%	5.95%
\$165,000	5.32%	5.39%	5.47%	5.54%	5.62%	5.70%
\$170,000	5.09%	5.16%	5.24%	5.31%	5.38%	5.46%
\$175,000	4.88%	4.95%	5.02%	5.09%	5.16%	5.24%
\$180,000	4.68%	4.75%	4.82%	4.89%	4.96%	5.03%
\$185,000	4.48%	4.55%	4.62%	4.69%	4.76%	4.83%
\$190,000	4.30%	4.36%	4.43%	4.50%	4.57%	4.64%
\$195,000	4.12%	4.19%	4.25%	4.32%	4.39%	4.45%
\$200,000	3.96%	4.02%	4.08%	4.15%	4.21%	4.28%
\$205,000	3.80%	3.86%	3.92%	3.98%	4.05%	4.11%
\$210,000	3.65%	3.71%	3.77%	3.83%	3.89%	3.95%
\$215,000	3.51%	3.57%	3.63%	3.69%	3.75%	3.81%

*Percentages to be applied to experience claims below limit, to derive expected claims over limit.

The Vermont Health Plan
Provision for Large Claims Filing for 2014
Merit Pooling Charge Factors

Exhibit 3

\$220,000	3.38%	3.44%	3.49%	3.55%	3.61%	3.67%
\$225,000	3.27%	3.32%	3.37%	3.42%	3.48%	3.53%
\$230,000	3.15%	3.20%	3.25%	3.30%	3.35%	3.41%
\$235,000	3.05%	3.09%	3.14%	3.19%	3.24%	3.29%
\$240,000	2.94%	2.99%	3.04%	3.09%	3.13%	3.18%
\$245,000	2.85%	2.89%	2.94%	2.98%	3.03%	3.08%
\$250,000	2.75%	2.80%	2.84%	2.89%	2.93%	2.98%
\$255,000	2.66%	2.71%	2.75%	2.79%	2.84%	2.89%
\$260,000	2.58%	2.62%	2.66%	2.71%	2.75%	2.79%
\$265,000	2.50%	2.54%	2.58%	2.62%	2.66%	2.71%
\$270,000	2.42%	2.46%	2.50%	2.54%	2.58%	2.63%
\$275,000	2.35%	2.39%	2.43%	2.47%	2.51%	2.55%
\$280,000	2.29%	2.32%	2.36%	2.40%	2.43%	2.47%
\$285,000	2.22%	2.26%	2.29%	2.33%	2.37%	2.40%
\$290,000	2.16%	2.20%	2.23%	2.27%	2.30%	2.34%
\$295,000	2.10%	2.14%	2.17%	2.20%	2.24%	2.27%
\$300,000	2.05%	2.08%	2.11%	2.15%	2.18%	2.21%
\$305,000	1.99%	2.02%	2.06%	2.09%	2.12%	2.15%
\$310,000	1.94%	1.97%	2.00%	2.03%	2.07%	2.10%
\$315,000	1.90%	1.92%	1.95%	1.98%	2.01%	2.05%
\$320,000	1.85%	1.88%	1.91%	1.94%	1.96%	1.99%
\$325,000	1.80%	1.83%	1.86%	1.89%	1.92%	1.95%
\$330,000	1.76%	1.79%	1.81%	1.84%	1.87%	1.90%
\$335,000	1.72%	1.74%	1.77%	1.80%	1.83%	1.86%
\$340,000	1.68%	1.70%	1.73%	1.76%	1.78%	1.81%
\$345,000	1.63%	1.66%	1.69%	1.72%	1.74%	1.77%
\$350,000	1.59%	1.62%	1.65%	1.68%	1.70%	1.73%
\$355,000	1.56%	1.58%	1.61%	1.64%	1.66%	1.69%
\$360,000	1.52%	1.55%	1.57%	1.60%	1.62%	1.65%
\$365,000	1.49%	1.51%	1.53%	1.56%	1.59%	1.61%
\$370,000	1.45%	1.48%	1.50%	1.52%	1.55%	1.58%
\$375,000	1.42%	1.44%	1.47%	1.49%	1.52%	1.54%
\$380,000	1.38%	1.41%	1.43%	1.46%	1.48%	1.51%
\$385,000	1.35%	1.38%	1.40%	1.42%	1.45%	1.47%
\$390,000	1.32%	1.34%	1.37%	1.39%	1.42%	1.44%
\$395,000	1.29%	1.31%	1.34%	1.36%	1.38%	1.41%
\$400,000	1.26%	1.28%	1.31%	1.33%	1.35%	1.38%
\$405,000	1.23%	1.25%	1.28%	1.30%	1.32%	1.35%
\$410,000	1.20%	1.23%	1.25%	1.27%	1.29%	1.32%
\$415,000	1.18%	1.20%	1.22%	1.24%	1.26%	1.29%
\$420,000	1.15%	1.17%	1.19%	1.22%	1.24%	1.26%
\$425,000	1.13%	1.15%	1.17%	1.19%	1.21%	1.23%

*Percentages to be applied to experience claims below limit, to derive expected claims over limit.

The Vermont Health Plan
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\$430,000	1.10%	1.12%	1.14%	1.16%	1.18%	1.21%
\$435,000	1.07%	1.10%	1.12%	1.14%	1.16%	1.18%
\$440,000	1.05%	1.07%	1.09%	1.11%	1.13%	1.16%
\$445,000	1.03%	1.05%	1.07%	1.09%	1.11%	1.13%
\$450,000	1.00%	1.02%	1.04%	1.06%	1.09%	1.11%
\$455,000	0.98%	1.00%	1.02%	1.04%	1.06%	1.08%
\$460,000	0.96%	0.98%	1.00%	1.02%	1.04%	1.06%
\$465,000	0.94%	0.95%	0.97%	0.99%	1.01%	1.04%
\$470,000	0.91%	0.93%	0.95%	0.97%	0.99%	1.01%
\$475,000	0.89%	0.91%	0.93%	0.95%	0.97%	0.99%
\$480,000	0.87%	0.89%	0.91%	0.93%	0.95%	0.97%
\$485,000	0.85%	0.87%	0.89%	0.91%	0.93%	0.95%
\$490,000	0.83%	0.85%	0.87%	0.89%	0.91%	0.93%
\$495,000	0.82%	0.83%	0.85%	0.87%	0.89%	0.91%
\$500,000	0.80%	0.81%	0.83%	0.85%	0.87%	0.89%
\$505,000	0.78%	0.80%	0.81%	0.83%	0.85%	0.87%
\$510,000	0.78%	0.78%	0.80%	0.81%	0.83%	0.85%
\$515,000	0.78%	0.78%	0.78%	0.80%	0.81%	0.83%
\$520,000	0.75%	0.78%	0.78%	0.78%	0.81%	0.81%
\$525,000	0.71%	0.75%	0.78%	0.78%	0.79%	0.81%
\$530,000	0.69%	0.71%	0.78%	0.78%	0.76%	0.79%
\$535,000	0.68%	0.69%	0.74%	0.78%	0.76%	0.76%
\$540,000	0.66%	0.68%	0.70%	0.74%	0.76%	0.76%
\$545,000	0.66%	0.66%	0.68%	0.70%	0.73%	0.76%
\$550,000	0.66%	0.66%	0.66%	0.68%	0.70%	0.73%
\$555,000	0.66%	0.66%	0.66%	0.67%	0.68%	0.70%
\$560,000	0.66%	0.66%	0.66%	0.67%	0.67%	0.68%
\$565,000	0.62%	0.66%	0.66%	0.67%	0.67%	0.67%
\$570,000	0.57%	0.66%	0.66%	0.67%	0.67%	0.67%
\$575,000	0.57%	0.61%	0.66%	0.67%	0.67%	0.67%
\$580,000	0.57%	0.56%	0.61%	0.67%	0.67%	0.67%
\$585,000	0.57%	0.56%	0.56%	0.62%	0.67%	0.67%
\$590,000	0.54%	0.56%	0.56%	0.56%	0.62%	0.67%
\$595,000	0.50%	0.53%	0.56%	0.56%	0.57%	0.62%
\$600,000	0.50%	0.50%	0.53%	0.56%	0.57%	0.57%
\$605,000	0.50%	0.50%	0.51%	0.56%	0.57%	0.57%
\$610,000	0.47%	0.50%	0.51%	0.53%	0.57%	0.57%
\$615,000	0.45%	0.48%	0.51%	0.49%	0.53%	0.57%
\$620,000	0.43%	0.45%	0.48%	0.49%	0.50%	0.54%
\$625,000	0.42%	0.44%	0.45%	0.48%	0.50%	0.50%
\$630,000	0.42%	0.42%	0.44%	0.46%	0.50%	0.50%
\$635,000	0.42%	0.42%	0.43%	0.44%	0.47%	0.50%

*Percentages to be applied to experience claims below limit, to derive expected claims over limit.

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\$640,000	0.40%	0.42%	0.42%	0.43%	0.45%	0.47%
\$645,000	0.38%	0.40%	0.42%	0.42%	0.43%	0.45%
\$650,000	0.37%	0.38%	0.40%	0.42%	0.42%	0.44%
\$655,000	0.37%	0.37%	0.38%	0.42%	0.42%	0.42%
\$660,000	0.37%	0.37%	0.37%	0.40%	0.42%	0.41%
\$665,000	0.35%	0.37%	0.37%	0.38%	0.40%	0.41%
\$670,000	0.33%	0.37%	0.37%	0.37%	0.38%	0.40%
\$675,000	0.32%	0.35%	0.37%	0.37%	0.37%	0.38%
\$680,000	0.32%	0.33%	0.35%	0.37%	0.37%	0.37%
\$685,000	0.31%	0.32%	0.33%	0.35%	0.37%	0.36%
\$690,000	0.30%	0.32%	0.32%	0.33%	0.37%	0.36%
\$695,000	0.30%	0.31%	0.31%	0.32%	0.35%	0.36%
\$700,000	0.30%	0.30%	0.31%	0.32%	0.33%	0.35%
\$705,000	0.29%	0.30%	0.30%	0.31%	0.32%	0.33%
\$710,000	0.27%	0.29%	0.30%	0.30%	0.32%	0.32%
\$715,000	0.27%	0.28%	0.30%	0.30%	0.31%	0.31%
\$720,000	0.27%	0.28%	0.29%	0.30%	0.30%	0.31%
\$725,000	0.27%	0.28%	0.27%	0.29%	0.30%	0.30%
\$730,000	0.26%	0.28%	0.27%	0.27%	0.30%	0.30%
\$735,000	0.24%	0.28%	0.27%	0.27%	0.28%	0.30%
\$740,000	0.24%	0.26%	0.27%	0.27%	0.27%	0.29%
\$745,000	0.24%	0.24%	0.26%	0.27%	0.27%	0.27%
\$750,000	0.24%	0.23%	0.24%	0.27%	0.27%	0.27%
\$755,000	0.24%	0.23%	0.24%	0.26%	0.27%	0.27%
\$760,000	0.24%	0.23%	0.24%	0.24%	0.27%	0.27%
\$765,000	0.22%	0.23%	0.24%	0.23%	0.25%	0.27%
\$770,000	0.20%	0.23%	0.24%	0.23%	0.24%	0.26%
\$775,000	0.20%	0.22%	0.24%	0.23%	0.24%	0.24%
\$780,000	0.19%	0.20%	0.22%	0.23%	0.24%	0.23%
\$785,000	0.19%	0.20%	0.20%	0.23%	0.24%	0.23%
\$790,000	0.19%	0.19%	0.20%	0.22%	0.24%	0.23%
\$795,000	0.19%	0.19%	0.19%	0.20%	0.24%	0.23%
\$800,000	0.19%	0.19%	0.19%	0.20%	0.22%	0.23%
\$805,000	0.19%	0.19%	0.19%	0.19%	0.20%	0.22%
\$810,000	0.19%	0.19%	0.19%	0.19%	0.19%	0.20%
\$815,000	0.19%	0.19%	0.19%	0.19%	0.19%	0.20%
\$820,000	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%
\$825,000	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%
\$830,000	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%
\$835,000	0.19%	0.19%	0.19%	0.19%	0.19%	0.19%
\$840,000	0.17%	0.19%	0.19%	0.19%	0.19%	0.19%
\$845,000	0.14%	0.19%	0.19%	0.19%	0.19%	0.19%

*Percentages to be applied to experience claims below limit, to derive expected claims over limit.

The Vermont Health Plan
Provision for Large Claims Filing for 2014
Merit Pooling Charge Factors

Exhibit 3

\$850,000	0.14%	0.16%	0.19%	0.19%	0.19%	0.19%
\$855,000	0.14%	0.14%	0.19%	0.19%	0.19%	0.19%
\$860,000	0.14%	0.14%	0.17%	0.19%	0.19%	0.19%
\$865,000	0.14%	0.14%	0.14%	0.17%	0.19%	0.19%
\$870,000	0.14%	0.14%	0.14%	0.14%	0.19%	0.19%
\$875,000	0.14%	0.14%	0.14%	0.14%	0.16%	0.19%
\$880,000	0.14%	0.14%	0.14%	0.14%	0.14%	0.19%
\$885,000	0.14%	0.14%	0.14%	0.14%	0.14%	0.17%
\$890,000	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%
\$895,000	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%
\$900,000	0.14%	0.14%	0.14%	0.14%	0.14%	0.14%
\$905,000	0.11%	0.14%	0.14%	0.14%	0.14%	0.14%
\$910,000	0.09%	0.14%	0.14%	0.14%	0.14%	0.14%
\$915,000	0.09%	0.11%	0.14%	0.14%	0.14%	0.14%
\$920,000	0.09%	0.09%	0.14%	0.14%	0.14%	0.14%
\$925,000	0.09%	0.09%	0.11%	0.14%	0.14%	0.14%
\$930,000	0.09%	0.09%	0.09%	0.14%	0.14%	0.14%
\$935,000	0.08%	0.09%	0.09%	0.11%	0.14%	0.14%
\$940,000	0.07%	0.09%	0.09%	0.09%	0.14%	0.14%
\$945,000	0.07%	0.08%	0.09%	0.09%	0.11%	0.14%
\$950,000	0.07%	0.07%	0.09%	0.09%	0.09%	0.14%
\$955,000	0.07%	0.07%	0.08%	0.09%	0.09%	0.11%
\$960,000	0.07%	0.07%	0.07%	0.09%	0.09%	0.09%
\$965,000	0.07%	0.07%	0.07%	0.08%	0.09%	0.09%
\$970,000	0.07%	0.07%	0.07%	0.07%	0.09%	0.09%
\$975,000	0.07%	0.07%	0.07%	0.07%	0.08%	0.09%
\$980,000	0.06%	0.07%	0.07%	0.07%	0.07%	0.09%
\$985,000	0.04%	0.07%	0.07%	0.07%	0.07%	0.08%
\$990,000	0.04%	0.06%	0.07%	0.07%	0.07%	0.07%
\$995,000	0.04%	0.04%	0.07%	0.07%	0.07%	0.07%
\$1,000,000	0.04%	0.04%	0.06%	0.07%	0.07%	0.07%

*Percentages to be applied to experience claims below limit, to derive expected claims over limit.

The Vermont Health Plan
Provision for Large Claims Filing for 2014
Merit Net Cost of Reinsurance (PMPM)

Exhibit 4

Pricing Period Starting Quarter					
<u>Q2 2014</u>	<u>Q3 2014</u>	<u>Q4 2014</u>	<u>Q1 2015</u>	<u>Q2 2015</u>	<u>Q3 2015</u>
\$4.68	\$4.79	\$4.78	\$4.89	\$4.88	\$5.00



January 21, 2014

Mr. Josh Hammerquist, A.S.A., M.A.A.A.
Assistant Vice President & Consulting Actuary
Lewis & Ellis, Inc.

**Subject: Your 01/17/2014 Questions re: The Vermont Health Plan
2014 TVHP Provision for Large Claims Filing
(SERFF Tracking #: BCVT- 129374083)**

Dear Mr. Hammerquist:

In response to your request dated January 17, 2014, here are *your questions* and our answers:

1. Please submit the SERFF PDF Pipelines with all communications for the previously approved version of this filing and the filing that is referenced specifically in the Actuarial Memorandum.

Please find attached the SERFF PDF Pipelines for:

- BCVT-128829841 - TVHP 2013 Provision for Large Claims Filing

2. If applicable, please update Exhibit 2 to include 2011 experience.

The first TVHP Provision for Large Claims filing was made in December, 2012 in anticipation of the new TVHP rating formula. We therefore do not have pricing expected claims for 2011.

3. Based on the current sales distribution, what is the average change in the updated factors?

Based on December membership and the pooling points in place as of December 2013, the average change in the large claim factors for experience-rated groups is 17.0% percent, from 15.9% of claims to 18.6% of claims. The majority of this change is due to increases in the Milliman factors, along with the removal of the artificial 4% decrease mandated by the GMCB in the most recent filing in response to short-term favorable experience that did not continue into 2012.

Please let us know if you have any further questions.

Sincerely,

Paul Schultz, F.S.A., M.A.A.A.

State:	Vermont	Filing Company:	TVHP
TOI/Sub-TOI:	ML02 - Multi-Line - Other/ML02.0000 - Multi-Line - Other		
Product Name:	TVHP 2013 Provision for Large Claims Filing		
Project Name/Number:	/		

Filing at a Glance

Company:	TVHP
Product Name:	TVHP 2013 Provision for Large Claims Filing
State:	Vermont
TOI:	ML02 - Multi-Line - Other
Sub-TOI:	ML02.0000 - Multi-Line - Other
Filing Type:	Trend / Admin Charge
Date Submitted:	12/31/2012
SERFF Tr Num:	BCVT-128829841
SERFF Status:	Closed-Approved
State Tr Num:	63888
State Status:	Approved
Co Tr Num:	
Co Status:	
Implementation	On Approval
Date Requested:	
Author(s):	Vince Mace, Pam Young, Seth Abbene, Jude Daye, Martine Brisson-Lemieux
Reviewer(s):	Phil Keller (primary)
Disposition Date:	09/23/2013
Disposition Status:	Approved
Implementation Date:	

State: Vermont **Filing Company:** TVHP
TOI/Sub-TOI: ML02 - Multi-Line - Other/ML02.0000 - Multi-Line - Other
Product Name: TVHP 2013 Provision for Large Claims Filing
Project Name/Number: /

General Information

Project Name: Status of Filing in Domicile:
Project Number: Date Approved in Domicile:
Requested Filing Mode: Review & Approval Domicile Status Comments:
Explanation for Combination/Other: Market Type: Group
Submission Type: New Submission Group Market Size: Large
Group Market Type: Employer, Association Overall Rate Impact:
Filing Status Changed: 09/23/2013 Company Status Changed:
State Status Changed: 09/23/2013 Deemer Date:
Created By: Jude Daye Submitted By: Pam Young
Corresponding Filing Tracking Number:

Filing Description:
December 21, 2012

Phil Keller
Director of Insurance Rates and Forms
Department of Banking, Insurance, Securities and Health Care Administration
89 Main Street
Montpelier, VT 05620-3101

Subject: The Vermont Health Plan - NAIC # 95696
Provision for Large Claims Filing for 2013

Dear Mr. Keller:

Enclosed for your review and approval is The Vermont Health Plan's (TVHP) Provision for Large Claims filing for 2013. This filing provides pooling factors to be used in the experience rating of TVHP Large Group business.

Please let me know if we can answer any questions or provide further information during your review.

Sincerely,

Kevin Goddard

cc: Tammy Tomczyk/Oliver Wyman
Sean Londergan/VT DFR
Ruth Greene / BCBSVT
Vince Mace / BCBSVT
Donna Lee / BCBSVT

Company and Contact

Filing Contact Information

Jude Daye, Executive Assistant dayej@bcbsvt.com
445 Industrial Lane 802-371-3244 [Phone]
Montpelier, VT 05601

SERFF Tracking #: BCVT-128829841**State Tracking #:** 63888**Company Tracking #:**

State: Vermont**Filing Company:** TVHP**TOI/Sub-TOI:** ML02 - Multi-Line - Other/ML02.0000 - Multi-Line - Other**Product Name:** TVHP 2013 Provision for Large Claims Filing**Project Name/Number:** /

Filing Company Information

TVHP	CoCode: 95696	State of Domicile: Vermont
PO BOX 186	Group Code:	Company Type: HMO
Montpelier, VT 05601	Group Name:	State ID Number:
(802) 371-3450 ext. [Phone]	FEIN Number: 03-0354356	

Filing Fees

Fee Required?	Yes
Fee Amount:	\$50.00
Retaliatory?	No
Fee Explanation:	
Per Company:	Yes

Company	Amount	Date Processed	Transaction #
TVHP	\$50.00	12/31/2012	66118421

SERFF Tracking #:	BCVT-128829841	State Tracking #:	63888	Company Tracking #:	
State:	Vermont	Filing Company:	TVHP		
TOI/Sub-TOI:	ML02 - Multi-Line - Other/ML02.0000 - Multi-Line - Other				
Product Name:	TVHP 2013 Provision for Large Claims Filing				
Project Name/Number:	/				

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Phil Keller	09/23/2013	09/23/2013

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Amendment to the TVHP 2013 Provision for Large Claims Filing	Note To Reviewer	Jude Daye	08/20/2013	08/20/2013
Deemed complete	Note To Filer	Sean Londergan	06/26/2013	06/26/2013

SERFF Tracking #:	BCVT-128829841	State Tracking #:	63888	Company Tracking #:	
State:	Vermont	Filing Company:	TVHP		
TOI/Sub-TOI:	ML02 - Multi-Line - Other/ML02.0000 - Multi-Line - Other				
Product Name:	TVHP 2013 Provision for Large Claims Filing				
Project Name/Number:	/				

Disposition

Disposition Date: 09/23/2013

Implementation Date:

Status: Approved

Comment:

Rate data does NOT apply to filing.

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Actuarial Memorandum		Yes
Supporting Document	Filing Compliance Certification		Yes
Supporting Document	Health Administrative Forms		Yes
Supporting Document	Health Filing Data		Yes
Supporting Document	Third Party Filing Authorization		Yes
Supporting Document	Exhibits		Yes

State:	Vermont	Filing Company:	TVHP
TOI/Sub-TOI:	ML02 - Multi-Line - Other/ML02.0000 - Multi-Line - Other		
Product Name:	TVHP 2013 Provision for Large Claims Filing		
Project Name/Number:	/		

Note To Reviewer

Created By:

Jude Daye on 08/20/2013 03:02 PM

Last Edited By:

Jude Daye

Submitted On:

08/20/2013 03:02 PM

Subject:

Amendment to the TVHP 2013 Provision for Large Claims Filing

Comments:

Attached please find the cover letter and amended Exhibits for the amendment to the TVHP 2013 Provision for Large Claims Filing.



BlueCross BlueShield of Vermont

An Independent Licensee of the Blue Cross and Blue Shield Association.

Kevin Goddard
Vice President External Affairs and Sales

August 14, 2013

Phil Keller
Director of Insurance Rates and Forms
Vermont Department of Financial Regulation
89 Main Street
Montpelier, VT 05620-3101

**Subject: The Vermont Health Plan - NAIC # 95696
Provision for Large Claims Filing for 2013
SERFF Tracking # BCVT-128829841, VFN 63888
Amended per GMCB Decision and Order**

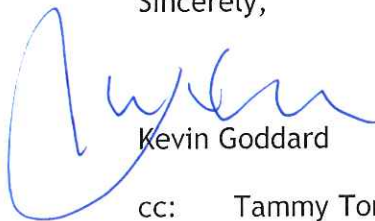
Dear Mr. Keller:

Enclosed are amended exhibits for The Vermont Health Plan's Provision for Large Claims filing for 2013. As ordered by the GMCB in their Decision and Order, dated August 14, 2013, the following modifications were made:

1. The factors were calculated using the Allowed Base Estimated Uncapped trend of 4.1% (not 4.3%, which is the Benefit Paid Estimated Uncapped trend) from the approved Third and Fourth Quarter 2013 BCBSVT Trend filing.
2. The resulting pooling factors were then reduced by 4%.

Please let me know if we can answer any questions.

Sincerely,



Kevin Goddard

cc: Tammy Tomczyk/Oliver Wyman
Sean Londergan/VT DFR
Ruth Greene / BCBSVT
Vince Mace / BCBSVT
Paul Schultz/BCBSVT
Donna Lee / BCBSVT

The Vermont Health Plan
Provision for Large Claims Filing for 2013
Expected Large Claims Factor Development
Experience Period Starting Q4 2011

Exhibit 1 - Amended

a	b	c	d	e=b/c	f=d*e	g= c*(1+Σf/Σd)/2	h= b*d+g*(1-d)	i	j= h*i
Limits	TVHP	Milliman	credibility	TVHP/ Milliman		adj Milliman	Net claim factor	GMCB Reduction Factor	Adjusted Net claim factor
30,000	31.8%	32.4%	100.0%	98.1%	0.9807	31.0%	31.8%	0.96	30.5%
35,000	27.5%	28.4%	100.0%	96.8%	0.9685	27.2%	27.5%	0.96	26.4%
40,000	24.2%	25.2%	97.6%	96.0%	0.9377	24.1%	24.2%	0.96	23.2%
45,000	21.5%	22.6%	95.1%	95.3%	0.9060	21.6%	21.6%	0.96	20.7%
50,000	19.4%	20.5%	92.6%	94.5%	0.8743	19.6%	19.4%	0.96	18.6%
55,000	17.6%	18.7%	90.0%	94.0%	0.8460	17.9%	17.6%	0.96	16.9%
60,000	16.1%	17.1%	87.5%	94.1%	0.8233	16.3%	16.1%	0.96	15.5%
65,000	14.8%	15.8%	84.9%	93.2%	0.7913	15.2%	14.8%	0.96	14.2%
70,000	13.6%	14.7%	82.4%	92.7%	0.7636	14.0%	13.7%	0.96	13.1%
75,000	12.6%	13.6%	79.8%	92.3%	0.7373	13.0%	12.7%	0.96	12.1%
80,000	11.6%	12.7%	77.3%	91.5%	0.7076	12.2%	11.8%	0.96	11.3%
85,000	10.8%	11.9%	74.8%	91.3%	0.6827	11.3%	11.0%	0.96	10.5%
90,000	10.1%	11.1%	72.2%	90.5%	0.6538	10.7%	10.2%	0.96	9.8%
95,000	9.4%	10.5%	69.7%	90.1%	0.6274	10.0%	9.6%	0.96	9.2%
100,000	8.8%	9.8%	67.1%	89.9%	0.6033	9.4%	9.0%	0.96	8.7%
105,000	8.3%	9.3%	64.6%	89.2%	0.5763	8.9%	8.5%	0.96	8.2%
110,000	7.8%	8.8%	62.0%	89.0%	0.5522	8.4%	8.0%	0.96	7.7%
115,000	7.4%	8.3%	59.5%	88.5%	0.5267	8.0%	7.6%	0.96	7.3%
120,000	7.0%	7.9%	56.9%	88.3%	0.5026	7.6%	7.2%	0.96	6.9%
125,000	6.6%	7.5%	54.4%	88.3%	0.4806	7.1%	6.8%	0.96	6.6%
130,000	6.3%	7.1%	51.9%	88.4%	0.4584	6.8%	6.5%	0.96	6.2%
135,000	5.9%	6.8%	49.3%	87.8%	0.4331	6.5%	6.2%	0.96	6.0%
140,000	5.7%	6.5%	46.8%	87.5%	0.4094	6.2%	5.9%	0.96	5.7%
145,000	5.4%	6.2%	44.2%	87.5%	0.3870	5.9%	5.7%	0.96	5.4%
150,000	5.1%	5.9%	41.7%	87.8%	0.3659	5.6%	5.4%	0.96	5.2%
155,000	4.9%	5.6%	39.1%	88.3%	0.3455	5.3%	5.2%	0.96	4.9%
160,000	4.7%	5.3%	36.6%	87.7%	0.3209	5.1%	5.0%	0.96	4.8%
165,000	4.5%	5.1%	34.0%	87.2%	0.2969	4.9%	4.8%	0.96	4.6%
170,000	4.3%	4.9%	31.5%	86.9%	0.2737	4.7%	4.6%	0.96	4.4%
175,000	4.1%	4.7%	29.0%	86.7%	0.2511	4.5%	4.4%	0.96	4.2%
180,000	3.9%	4.5%	26.4%	86.6%	0.2289	4.3%	4.2%	0.96	4.0%
185,000	3.7%	4.3%	23.9%	86.8%	0.2071	4.1%	4.0%	0.96	3.9%
190,000	3.6%	4.2%	21.3%	86.4%	0.1844	4.0%	3.9%	0.96	3.7%
195,000	3.4%	4.0%	18.8%	85.9%	0.1614	3.8%	3.8%	0.96	3.6%
200,000	3.3%	3.9%	16.2%	85.5%	0.1389	3.7%	3.6%	0.96	3.5%
205,000	3.2%	3.7%	13.7%	85.2%	0.1167	3.5%	3.5%	0.96	3.4%
210,000	3.0%	3.6%	11.2%	85.1%	0.0949	3.4%	3.4%	0.96	3.2%
215,000	2.9%	3.4%	8.6%	85.2%	0.0733	3.3%	3.2%	0.96	3.1%
220,000	2.8%	3.3%	6.1%	85.4%	0.0518	3.1%	3.1%	0.96	3.0%
225,000	2.7%	3.2%	3.5%	85.2%	0.0300	3.0%	3.0%	0.96	2.9%
230,000	2.6%	3.1%	1.0%	84.4%	0.0082	2.9%	2.9%	0.96	2.8%
235,000	2.5%	3.0%	0.0%	83.6%	0.0000	2.8%	2.8%	0.96	2.7%
240,000	2.4%	2.9%	0.0%	83.0%	0.0000	2.7%	2.7%	0.96	2.6%
245,000	2.3%	2.8%	0.0%	82.4%	0.0000	2.6%	2.6%	0.96	2.5%
250,000	2.2%	2.7%	0.0%	82.1%	0.0000	2.6%	2.6%	0.96	2.5%
255,000	2.1%	2.6%	0.0%	81.9%	0.0000	2.5%	2.5%	0.96	2.4%
260,000	2.0%	2.5%	0.0%	81.8%	0.0000	2.4%	2.4%	0.96	2.3%
265,000	2.0%	2.4%	0.0%	81.9%	0.0000	2.3%	2.3%	0.96	2.2%
270,000	1.9%	2.3%	0.0%	82.4%	0.0000	2.2%	2.2%	0.96	2.1%
275,000	1.8%	2.2%	0.0%	82.0%	0.0000	2.1%	2.1%	0.96	2.0%
280,000	1.8%	2.2%	0.0%	81.5%	0.0000	2.1%	2.1%	0.96	2.0%

The Vermont Health Plan
Provision for Large Claims Filing for 2013
Expected Large Claims Factor Development
Experience Period Starting Q4 2011

Exhibit 1 - Amended

a	b	c	d	e=b/c	f=d*e	g= c*(1+Σf/Σd)/2	h= b*d+g*(1-d)	i	j= h*i
Limits	TVHP	Milliman	credibility	TVHP/ Milliman		adj Milliman	Net claim factor	GMCB Reduction Factor	Adjusted Net claim factor
285,000	1.7%	2.1%	0.0%	81.1%	0.0000	2.0%	2.0%	0.96	1.9%
290,000	1.7%	2.1%	0.0%	80.8%	0.0000	2.0%	2.0%	0.96	1.9%
295,000	1.6%	2.0%	0.0%	80.5%	0.0000	1.9%	1.9%	0.96	1.8%
300,000	1.6%	1.9%	0.0%	80.3%	0.0000	1.9%	1.9%	0.96	1.8%
305,000	1.5%	1.9%	0.0%	80.2%	0.0000	1.8%	1.8%	0.96	1.7%
310,000	1.5%	1.8%	0.0%	80.2%	0.0000	1.7%	1.7%	0.96	1.7%
315,000	1.4%	1.8%	0.0%	80.3%	0.0000	1.7%	1.7%	0.96	1.6%
320,000	1.4%	1.7%	0.0%	80.5%	0.0000	1.6%	1.6%	0.96	1.6%
325,000	1.3%	1.7%	0.0%	80.8%	0.0000	1.6%	1.6%	0.96	1.5%
330,000	1.3%	1.6%	0.0%	81.2%	0.0000	1.5%	1.5%	0.96	1.5%
335,000	1.3%	1.5%	0.0%	81.6%	0.0000	1.5%	1.5%	0.96	1.4%
340,000	1.2%	1.5%	0.0%	82.3%	0.0000	1.4%	1.4%	0.96	1.4%
345,000	1.2%	1.4%	0.0%	83.1%	0.0000	1.4%	1.4%	0.96	1.3%
350,000	1.2%	1.4%	0.0%	84.2%	0.0000	1.3%	1.3%	0.96	1.3%
355,000	1.1%	1.3%	0.0%	84.9%	0.0000	1.3%	1.3%	0.96	1.2%
360,000	1.1%	1.3%	0.0%	84.1%	0.0000	1.2%	1.2%	0.96	1.2%
365,000	1.1%	1.3%	0.0%	85.7%	0.0000	1.2%	1.2%	0.96	1.2%
370,000	1.0%	1.2%	0.0%	82.7%	0.0000	1.2%	1.2%	0.96	1.1%
375,000	1.0%	1.2%	0.0%	82.1%	0.0000	1.2%	1.2%	0.96	1.1%
380,000	1.0%	1.2%	0.0%	81.4%	0.0000	1.1%	1.1%	0.96	1.1%
385,000	0.9%	1.2%	0.0%	80.9%	0.0000	1.1%	1.1%	0.96	1.1%
390,000	0.9%	1.1%	0.0%	80.5%	0.0000	1.1%	1.1%	0.96	1.0%
395,000	0.9%	1.1%	0.0%	80.2%	0.0000	1.1%	1.1%	0.96	1.0%
400,000	0.9%	1.1%	0.0%	79.9%	0.0000	1.0%	1.0%	0.96	1.0%
405,000	0.9%	1.1%	0.0%	81.8%	0.0000	1.0%	1.0%	0.96	1.0%
410,000	0.8%	1.0%	0.0%	79.5%	0.0000	1.0%	1.0%	0.96	1.0%
415,000	0.8%	1.0%	0.0%	81.4%	0.0000	1.0%	1.0%	0.96	0.9%
420,000	0.8%	1.0%	0.0%	79.2%	0.0000	0.9%	0.9%	0.96	0.9%
425,000	0.8%	1.0%	0.0%	79.0%	0.0000	0.9%	0.9%	0.96	0.9%
430,000	0.7%	0.9%	0.0%	79.0%	0.0000	0.9%	0.9%	0.96	0.9%
435,000	0.7%	0.9%	0.0%	79.0%	0.0000	0.9%	0.9%	0.96	0.8%
440,000	0.7%	0.9%	0.0%	79.0%	0.0000	0.9%	0.9%	0.96	0.8%
445,000	0.7%	0.9%	0.0%	79.1%	0.0000	0.8%	0.8%	0.96	0.8%
450,000	0.7%	0.8%	0.0%	81.5%	0.0000	0.8%	0.8%	0.96	0.8%
455,000	0.7%	0.8%	0.0%	83.9%	0.0000	0.8%	0.8%	0.96	0.8%
460,000	0.6%	0.8%	0.0%	80.2%	0.0000	0.8%	0.8%	0.96	0.7%
465,000	0.6%	0.8%	0.0%	80.7%	0.0000	0.7%	0.7%	0.96	0.7%
470,000	0.6%	0.7%	0.0%	81.1%	0.0000	0.7%	0.7%	0.96	0.7%
475,000	0.6%	0.7%	0.0%	80.6%	0.0000	0.7%	0.7%	0.96	0.7%
480,000	0.6%	0.7%	0.0%	80.0%	0.0000	0.7%	0.7%	0.96	0.7%
485,000	0.6%	0.7%	0.0%	79.6%	0.0000	0.7%	0.7%	0.96	0.7%
490,000	0.6%	0.7%	0.0%	80.9%	0.0000	0.7%	0.7%	0.96	0.6%
495,000	0.5%	0.7%	0.0%	79.2%	0.0000	0.7%	0.7%	0.96	0.6%
500,000	0.5%	0.7%	0.0%	79.0%	0.0000	0.6%	0.6%	0.96	0.6%
505,000	0.5%	0.7%	0.0%	80.4%	0.0000	0.6%	0.6%	0.96	0.6%
510,000	0.5%	0.7%	0.0%	81.9%	0.0000	0.6%	0.6%	0.96	0.6%
515,000	0.5%	0.6%	0.0%	83.4%	0.0000	0.6%	0.6%	0.96	0.6%
520,000	0.5%	0.6%	0.0%	85.0%	0.0000	0.6%	0.6%	0.96	0.6%
525,000	0.5%	0.6%	0.0%	86.6%	0.0000	0.6%	0.6%	0.96	0.6%
530,000	0.5%	0.6%	0.0%	88.3%	0.0000	0.6%	0.6%	0.96	0.6%
535,000	0.5%	0.6%	0.0%	90.1%	0.0000	0.6%	0.6%	0.96	0.5%

The Vermont Health Plan
Provision for Large Claims Filing for 2013
Expected Large Claims Factor Development
Experience Period Starting Q4 2011

Exhibit 1 - Amended

a	b	c	d	e=b/c	f=d*e	g= c*(1+Σf/Σd)/2	h= b*d+g*(1-d)	i	j= h*i
Limits	TVHP	Milliman	credibility	TVHP/ Milliman		adj Milliman	Net claim factor	GMCB Reduction Factor	Adjusted Net claim factor
540,000	0.5%	0.6%	0.0%	91.9%	0.0000	0.6%	0.6%	0.96	0.5%
545,000	0.5%	0.6%	0.0%	93.8%	0.0000	0.5%	0.5%	0.96	0.5%
550,000	0.5%	0.6%	0.0%	95.8%	0.0000	0.5%	0.5%	0.96	0.5%
555,000	0.4%	0.5%	0.0%	78.4%	0.0000	0.5%	0.5%	0.96	0.5%
560,000	0.4%	0.5%	0.0%	80.1%	0.0000	0.5%	0.5%	0.96	0.5%
565,000	0.4%	0.5%	0.0%	81.9%	0.0000	0.5%	0.5%	0.96	0.5%
570,000	0.4%	0.5%	0.0%	78.3%	0.0000	0.5%	0.5%	0.96	0.5%
575,000	0.4%	0.5%	0.0%	80.2%	0.0000	0.5%	0.5%	0.96	0.5%
580,000	0.4%	0.5%	0.0%	82.1%	0.0000	0.5%	0.5%	0.96	0.4%
585,000	0.4%	0.5%	0.0%	84.2%	0.0000	0.5%	0.5%	0.96	0.4%
590,000	0.4%	0.5%	0.0%	86.3%	0.0000	0.4%	0.4%	0.96	0.4%
595,000	0.4%	0.5%	0.0%	88.5%	0.0000	0.4%	0.4%	0.96	0.4%
600,000	0.4%	0.4%	0.0%	90.9%	0.0000	0.4%	0.4%	0.96	0.4%
605,000	0.3%	0.4%	0.0%	78.8%	0.0000	0.4%	0.4%	0.96	0.4%
610,000	0.3%	0.4%	0.0%	79.0%	0.0000	0.4%	0.4%	0.96	0.4%
615,000	0.3%	0.4%	0.0%	79.5%	0.0000	0.4%	0.4%	0.96	0.4%
620,000	0.3%	0.4%	0.0%	81.8%	0.0000	0.4%	0.4%	0.96	0.4%
625,000	0.3%	0.4%	0.0%	80.9%	0.0000	0.4%	0.4%	0.96	0.3%
630,000	0.3%	0.4%	0.0%	83.4%	0.0000	0.4%	0.4%	0.96	0.3%
635,000	0.3%	0.4%	0.0%	82.8%	0.0000	0.3%	0.3%	0.96	0.3%
640,000	0.3%	0.3%	0.0%	85.6%	0.0000	0.3%	0.3%	0.96	0.3%
645,000	0.3%	0.3%	0.0%	88.6%	0.0000	0.3%	0.3%	0.96	0.3%
650,000	0.3%	0.3%	0.0%	91.9%	0.0000	0.3%	0.3%	0.96	0.3%
655,000	0.3%	0.3%	0.0%	95.3%	0.0000	0.3%	0.3%	0.96	0.3%
660,000	0.3%	0.3%	0.0%	90.1%	0.0000	0.3%	0.3%	0.96	0.3%
665,000	0.3%	0.3%	0.0%	93.8%	0.0000	0.3%	0.3%	0.96	0.3%
670,000	0.3%	0.3%	0.0%	97.8%	0.0000	0.3%	0.3%	0.96	0.3%
675,000	0.3%	0.3%	0.0%	102.1%	0.0000	0.3%	0.3%	0.96	0.2%
680,000	0.3%	0.3%	0.0%	106.9%	0.0000	0.2%	0.2%	0.96	0.2%
685,000	0.3%	0.2%	0.0%	112.1%	0.0000	0.2%	0.2%	0.96	0.2%
690,000	0.3%	0.2%	0.0%	117.8%	0.0000	0.2%	0.2%	0.96	0.2%
695,000	0.3%	0.2%	0.0%	124.1%	0.0000	0.2%	0.2%	0.96	0.2%
700,000	0.3%	0.2%	0.0%	131.3%	0.0000	0.2%	0.2%	0.96	0.2%
705,000	0.3%	0.2%	0.0%	139.1%	0.0000	0.2%	0.2%	0.96	0.2%
710,000	0.3%	0.2%	0.0%	148.2%	0.0000	0.2%	0.2%	0.96	0.2%
715,000	0.3%	0.2%	0.0%	158.3%	0.0000	0.2%	0.2%	0.96	0.2%
720,000	0.3%	0.2%	0.0%	169.8%	0.0000	0.2%	0.2%	0.96	0.1%
725,000	0.2%	0.1%	0.0%	142.4%	0.0000	0.1%	0.1%	0.96	0.1%
730,000	0.2%	0.1%	0.0%	151.4%	0.0000	0.1%	0.1%	0.96	0.1%
735,000	0.0%	0.1%	0.0%	0.0%	0.0000	0.1%	0.1%	0.96	0.1%
740,000	0.0%	0.1%	0.0%	0.0%	0.0000	0.1%	0.1%	0.96	0.1%
745,000	0.0%	0.1%	0.0%	0.0%	0.0000	0.1%	0.1%	0.96	0.1%
750,000	0.0%	0.1%	0.0%	0.0%	0.0000	0.1%	0.1%	0.96	0.1%
755,000	0.0%	0.1%	0.0%	0.0%	0.0000	0.1%	0.1%	0.96	0.1%
760,000	0.0%	0.1%	0.0%	0.0%	0.0000	0.1%	0.1%	0.96	0.1%
765,000	0.0%	0.1%	0.0%	0.0%	0.0000	0.1%	0.1%	0.96	0.0%
770,000	0.0%	0.0%	0.0%	0.0%	0.0000	0.0%	0.0%	0.96	0.0%
775,000	0.0%	0.0%	0.0%	0.0%	0.0000	0.0%	0.0%	0.96	0.0%
780,000	0.0%	0.0%	0.0%	0.0%	0.0000	0.0%	0.0%	0.96	0.0%
785,000	0.0%	0.0%	0.0%	0.0%	0.0000	0.0%	0.0%	0.96	0.0%
790,000	0.0%	0.0%	0.0%	100.0%	0.0000	0.0%	0.0%	0.96	0.0%

The Vermont Health Plan
Provision for Large Claims Filing for 2013
Expected Large Claims Factor Development
Experience Period Starting Q4 2011

Exhibit 1 - Amended

a	b	c	d	e=b/c	f=d*e	g= c*(1+Σf/Σd)/2	h= b*d+g*(1-d)	i	j= h*i
<u>Limits</u>	<u>TVHP</u>	<u>Milliman</u>	<u>credibility</u>	<u>TVHP/ Milliman</u>		<u>adj Milliman</u>	<u>Net claim factor</u>	<u>GMCB Reduction Factor</u>	<u>Adjusted Net claim factor</u>
795,000	0.0%	0.0%	0.0%	100.0%	0.0000	0.0%	0.0%	0.96	0.0%
800,000	0.0%	0.0%	0.0%	100.0%	0.0000	0.0%	0.0%	0.96	0.0%
805,000	0.0%	0.0%	0.0%	100.0%	0.0000	0.0%	0.0%	0.96	0.0%
810,000	0.0%	0.0%	0.0%	100.0%	0.0000	0.0%	0.0%	0.96	0.0%
815,000	0.0%	0.0%	0.0%	100.0%	0.0000	0.0%	0.0%	0.96	0.0%
820,000	0.0%	0.0%	0.0%	100.0%	0.0000	0.0%	0.0%	0.96	0.0%
825,000	0.0%	0.0%	0.0%	100.0%	0.0000	0.0%	0.0%	0.96	0.0%
830,000	0.0%	0.0%	0.0%	100.0%	0.0000	0.0%	0.0%	0.96	0.0%
835,000	0.0%	0.0%	0.0%	100.0%	0.0000	0.0%	0.0%	0.96	0.0%
840,000	0.0%	0.0%	0.0%	100.0%	0.0000	0.0%	0.0%	0.96	0.0%
845,000	0.0%	0.0%	0.0%	100.0%	0.0000	0.0%	0.0%	0.96	0.0%
850,000	0.0%	0.0%	0.0%	100.0%	0.0000	0.0%	0.0%	0.96	0.0%
855,000	0.0%	0.0%	0.0%	100.0%	0.0000	0.0%	0.0%	0.96	0.0%
860,000	0.0%	0.0%	0.0%	100.0%	0.0000	0.0%	0.0%	0.96	0.0%
865,000	0.0%	0.0%	0.0%	100.0%	0.0000	0.0%	0.0%	0.96	0.0%
870,000	0.0%	0.0%	0.0%	100.0%	0.0000	0.0%	0.0%	0.96	0.0%
875,000	0.0%	0.0%	0.0%	100.0%	0.0000	0.0%	0.0%	0.96	0.0%
880,000	0.0%	0.0%	0.0%	100.0%	0.0000	0.0%	0.0%	0.96	0.0%
885,000	0.0%	0.0%	0.0%	100.0%	0.0000	0.0%	0.0%	0.96	0.0%
890,000	0.0%	0.0%	0.0%	100.0%	0.0000	0.0%	0.0%	0.96	0.0%
895,000	0.0%	0.0%	0.0%	100.0%	0.0000	0.0%	0.0%	0.96	0.0%
900,000	0.0%	0.0%	0.0%	100.0%	0.0000	0.0%	0.0%	0.96	0.0%
905,000	0.0%	0.0%	0.0%	100.0%	0.0000	0.0%	0.0%	0.96	0.0%
910,000	0.0%	0.0%	0.0%	100.0%	0.0000	0.0%	0.0%	0.96	0.0%
915,000	0.0%	0.0%	0.0%	100.0%	0.0000	0.0%	0.0%	0.96	0.0%
920,000	0.0%	0.0%	0.0%	100.0%	0.0000	0.0%	0.0%	0.96	0.0%
925,000	0.0%	0.0%	0.0%	100.0%	0.0000	0.0%	0.0%	0.96	0.0%
930,000	0.0%	0.0%	0.0%	100.0%	0.0000	0.0%	0.0%	0.96	0.0%
935,000	0.0%	0.0%	0.0%	100.0%	0.0000	0.0%	0.0%	0.96	0.0%
940,000	0.0%	0.0%	0.0%	100.0%	0.0000	0.0%	0.0%	0.96	0.0%
945,000	0.0%	0.0%	0.0%	100.0%	0.0000	0.0%	0.0%	0.96	0.0%
950,000	0.0%	0.0%	0.0%	100.0%	0.0000	0.0%	0.0%	0.96	0.0%
955,000	0.0%	0.0%	0.0%	100.0%	0.0000	0.0%	0.0%	0.96	0.0%
960,000	0.0%	0.0%	0.0%	100.0%	0.0000	0.0%	0.0%	0.96	0.0%
965,000	0.0%	0.0%	0.0%	100.0%	0.0000	0.0%	0.0%	0.96	0.0%
970,000	0.0%	0.0%	0.0%	100.0%	0.0000	0.0%	0.0%	0.96	0.0%
975,000	0.0%	0.0%	0.0%	100.0%	0.0000	0.0%	0.0%	0.96	0.0%
980,000	0.0%	0.0%	0.0%	100.0%	0.0000	0.0%	0.0%	0.96	0.0%
985,000	0.0%	0.0%	0.0%	100.0%	0.0000	0.0%	0.0%	0.96	0.0%
990,000	0.0%	0.0%	0.0%	100.0%	0.0000	0.0%	0.0%	0.96	0.0%
995,000	0.0%	0.0%	0.0%	100.0%	0.0000	0.0%	0.0%	0.96	0.0%
1,000,000	0.0%	0.0%	0.0%	100.0%	0.0000	0.0%	0.0%	0.96	0.0%

The Vermont Health Plan
Provision for Large Claims Filing for 2013
Pooling Charge Factors

Exhibit 2 - Amended

	<u>Experience Period Starting Quarter</u>					<u>Q1 2013</u>
	<u>Q4 2011</u>	<u>Q1 2012</u>	<u>Q2 2012</u>	<u>Q3 2012</u>	<u>Q4 2012</u>	
<u>Limit</u>	<u>claim*</u> <u>factor</u>	<u>claim*</u> <u>factor</u>	<u>claim*</u> <u>factor</u>	<u>claim*</u> <u>factor</u>	<u>claim*</u> <u>factor</u>	<u>claim*</u> <u>factor</u>
\$30,000	30.5%	30.8%	31.1%	31.4%	31.7%	31.9%
\$35,000	26.4%	26.7%	26.9%	27.2%	27.4%	27.7%
\$40,000	23.2%	23.5%	23.7%	23.9%	24.1%	24.4%
\$45,000	20.7%	20.9%	21.1%	21.3%	21.5%	21.7%
\$50,000	18.6%	18.8%	19.0%	19.2%	19.4%	19.6%
\$55,000	16.9%	17.1%	17.3%	17.4%	17.6%	17.8%
\$60,000	15.5%	15.6%	15.8%	15.9%	16.1%	16.3%
\$65,000	14.2%	14.4%	14.5%	14.7%	14.8%	15.0%
\$70,000	13.1%	13.3%	13.4%	13.6%	13.7%	13.8%
\$75,000	12.1%	12.3%	12.4%	12.5%	12.7%	12.8%
\$80,000	11.3%	11.4%	11.5%	11.7%	11.8%	11.9%
\$85,000	10.5%	10.6%	10.8%	10.9%	11.0%	11.1%
\$90,000	9.8%	9.9%	10.1%	10.2%	10.3%	10.4%
\$95,000	9.2%	9.3%	9.4%	9.6%	9.7%	9.8%
\$100,000	8.7%	8.8%	8.9%	9.0%	9.1%	9.2%
\$105,000	8.2%	8.3%	8.4%	8.5%	8.6%	8.7%
\$110,000	7.7%	7.8%	7.9%	8.0%	8.1%	8.2%
\$115,000	7.3%	7.4%	7.5%	7.6%	7.7%	7.8%
\$120,000	6.9%	7.0%	7.1%	7.2%	7.3%	7.4%
\$125,000	6.6%	6.7%	6.7%	6.8%	6.9%	7.0%
\$130,000	6.2%	6.3%	6.4%	6.5%	6.6%	6.7%
\$135,000	6.0%	6.0%	6.1%	6.2%	6.3%	6.3%
\$140,000	5.7%	5.8%	5.8%	5.9%	6.0%	6.1%
\$145,000	5.4%	5.5%	5.6%	5.7%	5.7%	5.8%
\$150,000	5.2%	5.3%	5.3%	5.4%	5.5%	5.6%
\$155,000	4.9%	5.0%	5.1%	5.2%	5.2%	5.3%
\$160,000	4.8%	4.8%	4.9%	4.9%	5.0%	5.1%
\$165,000	4.6%	4.6%	4.7%	4.7%	4.8%	4.9%
\$170,000	4.4%	4.5%	4.5%	4.6%	4.6%	4.7%
\$175,000	4.2%	4.3%	4.3%	4.4%	4.5%	4.5%
\$180,000	4.0%	4.1%	4.2%	4.2%	4.3%	4.3%
\$185,000	3.9%	3.9%	4.0%	4.1%	4.1%	4.2%
\$190,000	3.7%	3.8%	3.8%	3.9%	4.0%	4.0%
\$195,000	3.6%	3.7%	3.7%	3.7%	3.8%	3.9%
\$200,000	3.5%	3.5%	3.6%	3.6%	3.7%	3.7%
\$205,000	3.4%	3.4%	3.5%	3.5%	3.5%	3.6%
\$210,000	3.2%	3.3%	3.3%	3.4%	3.4%	3.5%
\$215,000	3.1%	3.2%	3.2%	3.3%	3.3%	3.4%
\$220,000	3.0%	3.0%	3.1%	3.1%	3.2%	3.2%
\$225,000	2.9%	2.9%	3.0%	3.0%	3.1%	3.1%
\$230,000	2.8%	2.8%	2.9%	2.9%	3.0%	3.0%
\$235,000	2.7%	2.8%	2.8%	2.8%	2.9%	2.9%

* Percentages to be applied to experience claims below the limit, to derive expected claims over the limit.

The Vermont Health Plan
Provision for Large Claims Filing for 2013
Pooling Charge Factors

Exhibit 2 - Amended

<u>Limit</u>	<u>Experience Period Starting Quarter</u>					<u>Q1 2013</u>
	<u>Q4 2011</u>	<u>Q1 2012</u>	<u>Q2 2012</u>	<u>Q3 2012</u>	<u>Q4 2012</u>	
	<u>claim*</u> <u>factor</u>	<u>claim*</u> <u>factor</u>	<u>claim*</u> <u>factor</u>	<u>claim*</u> <u>factor</u>	<u>claim*</u> <u>factor</u>	<u>claim*</u> <u>factor</u>
\$240,000	2.6%	2.7%	2.7%	2.7%	2.8%	2.8%
\$245,000	2.5%	2.6%	2.6%	2.7%	2.7%	2.7%
\$250,000	2.5%	2.5%	2.5%	2.6%	2.6%	2.7%
\$255,000	2.4%	2.4%	2.5%	2.5%	2.5%	2.6%
\$260,000	2.3%	2.3%	2.4%	2.4%	2.5%	2.5%
\$265,000	2.2%	2.2%	2.3%	2.3%	2.4%	2.4%
\$270,000	2.1%	2.2%	2.2%	2.2%	2.3%	2.3%
\$275,000	2.0%	2.1%	2.1%	2.2%	2.2%	2.3%
\$280,000	2.0%	2.0%	2.1%	2.1%	2.1%	2.2%
\$285,000	1.9%	2.0%	2.0%	2.0%	2.1%	2.1%
\$290,000	1.9%	1.9%	1.9%	2.0%	2.0%	2.0%
\$295,000	1.8%	1.9%	1.9%	1.9%	2.0%	2.0%
\$300,000	1.8%	1.8%	1.8%	1.9%	1.9%	1.9%
\$305,000	1.7%	1.8%	1.8%	1.8%	1.9%	1.9%
\$310,000	1.7%	1.7%	1.7%	1.8%	1.8%	1.8%
\$315,000	1.6%	1.7%	1.7%	1.7%	1.8%	1.8%
\$320,000	1.6%	1.6%	1.6%	1.7%	1.7%	1.7%
\$325,000	1.5%	1.6%	1.6%	1.6%	1.6%	1.7%
\$330,000	1.5%	1.5%	1.5%	1.6%	1.6%	1.6%
\$335,000	1.4%	1.4%	1.5%	1.5%	1.5%	1.6%
\$340,000	1.4%	1.4%	1.4%	1.5%	1.5%	1.5%
\$345,000	1.3%	1.3%	1.4%	1.4%	1.4%	1.5%
\$350,000	1.3%	1.3%	1.3%	1.4%	1.4%	1.4%
\$355,000	1.2%	1.2%	1.3%	1.3%	1.3%	1.4%
\$360,000	1.2%	1.2%	1.2%	1.3%	1.3%	1.3%
\$365,000	1.2%	1.2%	1.2%	1.2%	1.2%	1.3%
\$370,000	1.1%	1.2%	1.2%	1.2%	1.2%	1.2%
\$375,000	1.1%	1.1%	1.2%	1.2%	1.2%	1.2%
\$380,000	1.1%	1.1%	1.1%	1.1%	1.2%	1.2%
\$385,000	1.1%	1.1%	1.1%	1.1%	1.1%	1.2%
\$390,000	1.0%	1.1%	1.1%	1.1%	1.1%	1.1%
\$395,000	1.0%	1.0%	1.1%	1.1%	1.1%	1.1%
\$400,000	1.0%	1.0%	1.0%	1.1%	1.1%	1.1%
\$405,000	1.0%	1.0%	1.0%	1.0%	1.1%	1.1%
\$410,000	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
\$415,000	0.9%	1.0%	1.0%	1.0%	1.0%	1.0%
\$420,000	0.9%	0.9%	0.9%	1.0%	1.0%	1.0%
\$425,000	0.9%	0.9%	0.9%	0.9%	1.0%	1.0%
\$430,000	0.9%	0.9%	0.9%	0.9%	0.9%	1.0%
\$435,000	0.8%	0.9%	0.9%	0.9%	0.9%	0.9%
\$440,000	0.8%	0.8%	0.9%	0.9%	0.9%	0.9%
\$445,000	0.8%	0.8%	0.8%	0.9%	0.9%	0.9%

* Percentages to be applied to experience claims below the limit, to derive expected claims over the limit.

The Vermont Health Plan
Provision for Large Claims Filing for 2013
Pooling Charge Factors

Exhibit 2 - Amended

<u>Limit</u>	<u>Experience Period Starting Quarter</u>					<u>Q1 2013</u>
	<u>Q4 2011</u>	<u>Q1 2012</u>	<u>Q2 2012</u>	<u>Q3 2012</u>	<u>Q4 2012</u>	
	<u>claim*</u> <u>factor</u>	<u>claim*</u> <u>factor</u>	<u>claim*</u> <u>factor</u>	<u>claim*</u> <u>factor</u>	<u>claim*</u> <u>factor</u>	<u>claim*</u> <u>factor</u>
\$450,000	0.8%	0.8%	0.8%	0.8%	0.9%	0.9%
\$455,000	0.8%	0.8%	0.8%	0.8%	0.8%	0.9%
\$460,000	0.7%	0.7%	0.8%	0.8%	0.8%	0.8%
\$465,000	0.7%	0.7%	0.7%	0.8%	0.8%	0.8%
\$470,000	0.7%	0.7%	0.7%	0.7%	0.8%	0.8%
\$475,000	0.7%	0.7%	0.7%	0.7%	0.7%	0.8%
\$480,000	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%
\$485,000	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%
\$490,000	0.6%	0.7%	0.7%	0.7%	0.7%	0.7%
\$495,000	0.6%	0.6%	0.7%	0.7%	0.7%	0.7%
\$500,000	0.6%	0.6%	0.6%	0.7%	0.7%	0.7%
\$505,000	0.6%	0.6%	0.6%	0.6%	0.7%	0.7%
\$510,000	0.6%	0.6%	0.6%	0.6%	0.6%	0.7%
\$515,000	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
\$520,000	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
\$525,000	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
\$530,000	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
\$535,000	0.5%	0.6%	0.6%	0.6%	0.6%	0.6%
\$540,000	0.5%	0.5%	0.6%	0.6%	0.6%	0.6%
\$545,000	0.5%	0.5%	0.5%	0.6%	0.6%	0.6%
\$550,000	0.5%	0.5%	0.5%	0.5%	0.6%	0.6%
\$555,000	0.5%	0.5%	0.5%	0.5%	0.5%	0.6%
\$560,000	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
\$565,000	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
\$570,000	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
\$575,000	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
\$580,000	0.4%	0.5%	0.5%	0.5%	0.5%	0.5%
\$585,000	0.4%	0.4%	0.5%	0.5%	0.5%	0.5%
\$590,000	0.4%	0.4%	0.5%	0.5%	0.5%	0.5%
\$595,000	0.4%	0.4%	0.4%	0.5%	0.5%	0.5%
\$600,000	0.4%	0.4%	0.4%	0.4%	0.5%	0.5%
\$605,000	0.4%	0.4%	0.4%	0.4%	0.4%	0.5%
\$610,000	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
\$615,000	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
\$620,000	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
\$625,000	0.3%	0.4%	0.4%	0.4%	0.4%	0.4%
\$630,000	0.3%	0.4%	0.4%	0.4%	0.4%	0.4%
\$635,000	0.3%	0.3%	0.4%	0.4%	0.4%	0.4%
\$640,000	0.3%	0.3%	0.3%	0.4%	0.4%	0.4%
\$645,000	0.3%	0.3%	0.3%	0.3%	0.4%	0.4%
\$650,000	0.3%	0.3%	0.3%	0.3%	0.4%	0.4%
\$655,000	0.3%	0.3%	0.3%	0.3%	0.3%	0.4%

* Percentages to be applied to experience claims below the limit, to derive expected claims over the limit.

The Vermont Health Plan
Provision for Large Claims Filing for 2013
Pooling Charge Factors

Exhibit 2 - Amended

<u>Limit</u>	<u>Experience Period Starting Quarter</u>					<u>Q1 2013</u>
	<u>Q4 2011</u>	<u>Q1 2012</u>	<u>Q2 2012</u>	<u>Q3 2012</u>	<u>Q4 2012</u>	
	<u>claim*</u> <u>factor</u>	<u>claim*</u> <u>factor</u>	<u>claim*</u> <u>factor</u>	<u>claim*</u> <u>factor</u>	<u>claim*</u> <u>factor</u>	<u>claim*</u> <u>factor</u>
\$660,000	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
\$665,000	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
\$670,000	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
\$675,000	0.2%	0.3%	0.3%	0.3%	0.3%	0.3%
\$680,000	0.2%	0.2%	0.3%	0.3%	0.3%	0.3%
\$685,000	0.2%	0.2%	0.2%	0.3%	0.3%	0.3%
\$690,000	0.2%	0.2%	0.2%	0.3%	0.3%	0.3%
\$695,000	0.2%	0.2%	0.2%	0.2%	0.3%	0.3%
\$700,000	0.2%	0.2%	0.2%	0.2%	0.2%	0.3%
\$705,000	0.2%	0.2%	0.2%	0.2%	0.2%	0.3%
\$710,000	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
\$715,000	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
\$720,000	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%
\$725,000	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%
\$730,000	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%
\$735,000	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%
\$740,000	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%
\$745,000	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%
\$750,000	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%
\$755,000	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
\$760,000	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
\$765,000	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%
\$770,000	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%
\$775,000	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%
\$780,000	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%
\$785,000	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%
\$790,000	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%
\$795,000	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%
\$800,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
\$805,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$810,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$815,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$820,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$825,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$830,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$835,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$840,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$845,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$850,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$855,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$860,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$865,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

* Percentages to be applied to experience claims below the limit, to derive expected claims over the limit.

The Vermont Health Plan
Provision for Large Claims Filing for 2013
Pooling Charge Factors

Exhibit 2 - Amended

<u>Limit</u>	<u>Experience Period Starting Quarter</u>					<u>Q1 2013</u>
	<u>Q4 2011</u>	<u>Q1 2012</u>	<u>Q2 2012</u>	<u>Q3 2012</u>	<u>Q4 2012</u>	
	<u>claim*</u> <u>factor</u>	<u>claim*</u> <u>factor</u>	<u>claim*</u> <u>factor</u>	<u>claim*</u> <u>factor</u>	<u>claim*</u> <u>factor</u>	<u>claim*</u> <u>factor</u>
\$870,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$875,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$880,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$885,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$890,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$895,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$900,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$905,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$910,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$915,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$920,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$925,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$930,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$935,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$940,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$945,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$950,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$955,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$960,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$965,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$970,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$975,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$980,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$985,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$990,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$995,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$1,000,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

* Percentages to be applied to experience claims below the limit, to derive expected claims over the limit.

The Vermont Health Plan
Provision for Large Claims Filing for 2013
Net Cost of Reinsurance (PMPM)

Exhibit 3 - Amended

Pricing Period Starting Quarter

<u>Q2 2013</u>	<u>Q3 2013</u>	<u>Q4 2013</u>	<u>Q1 2014</u>	<u>Q2 2014</u>	<u>Q3 2014</u>
\$2.30	\$2.37	\$2.37	\$2.38	\$2.45	\$2.45

State:	Vermont	Filing Company:	TVHP
TOI/Sub-TOI:	ML02 - Multi-Line - Other/ML02.0000 - Multi-Line - Other		
Product Name:	TVHP 2013 Provision for Large Claims Filing		
Project Name/Number:	/		

Note To Filer

Created By:

Sean Londergan on 06/26/2013 10:42 AM

Last Edited By:

Sean Londergan

Submitted On:

06/26/2013 10:42 AM

Subject:

Deemed complete

Comments:

This note is to advise the company that this rate filing has been deemed complete as of June 19, 2013 - meaning that the Department's 30-day review period for the filing runs through July 19, 2013.

SERFF Tracking #:	BCVT-128829841	State Tracking #:	63888	Company Tracking #:	
State:	Vermont	Filing Company:	TVHP		
TOI/Sub-TOI:	ML02 - Multi-Line - Other/ML02.0000 - Multi-Line - Other				
Product Name:	TVHP 2013 Provision for Large Claims Filing				
Project Name/Number:	/				

Supporting Document Schedules

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	2013 TVHP Provision for Large Claims Filing - Actuarial Memorandum.pdf
Item Status:	
Status Date:	
Satisfied - Item:	Filing Compliance Certification
Comments:	
Attachment(s):	Filing Compliance Certification.pdf
Item Status:	
Status Date:	
Satisfied - Item:	Health Administrative Forms
Comments:	
Attachment(s):	F106 TVHP 2013 Provision for Large Claims Filing.pdf
Item Status:	
Status Date:	
Bypassed - Item:	Health Filing Data
Bypass Reason:	Our variability data is filed with our outline of coverage filings.
Attachment(s):	
Item Status:	
Status Date:	
Bypassed - Item:	Third Party Filing Authorization
Bypass Reason:	BCBSVT does not use a Third Party to submit filings.
Attachment(s):	
Item Status:	
Status Date:	
Satisfied - Item:	Exhibits
Comments:	
Attachment(s):	2013 TVHP Provision for Large Claims Filing - Exhibit 1.pdf 2013 TVHP Provision for Large Claims Filing - Exhibit 2.pdf 2013 TVHP Provision for Large Claims Filing - Exhibit 3.pdf

SERFF Tracking #:	BCVT-128829841	State Tracking #:	63888	Company Tracking #:	
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State:	Vermont	Filing Company:	TVHP
TOI/Sub-TOI:	ML02 - Multi-Line - Other/ML02.0000 - Multi-Line - Other		
Product Name:	TVHP 2013 Provision for Large Claims Filing		
Project Name/Number:	/		

Item Status:	
Status Date:	

**The Vermont Health Plan
Provision for Large Claims Filing for 2013
Actuarial Memorandum**

Summary

The purpose of this filing is to provide provision for large claims factors to be used in the pricing of The Vermont Health Plan's (TVHP) experience-rated groups.

We intend to apply these factors to determine rates for groups that are renewing or applying for coverage with TVHP. The factors will be used for renewals or proposals delivered 10 or more business days after the date of approval of this filing, through 10 business days after the approval of a successor filing.

Provision for Large Claims Development

In order to develop the provision for large claims factors, allowed charges and paid claims through August 31, 2012 were analyzed for the experience years ending December 31, 2010 and December 31, 2011. Only amounts for Blue Cross and Blue Shield of Vermont (BCBSVT) and TVHP members in underwritten or Cost Plus groups were included in the experience data, and managed mental health services, capitated services, and claims incurred by Medicare-eligible members were excluded. Any groups that do not include prescription drugs as a covered expense under their BCBSVT/TVHP benefit plan were excluded.

Claims to Allowed Charges

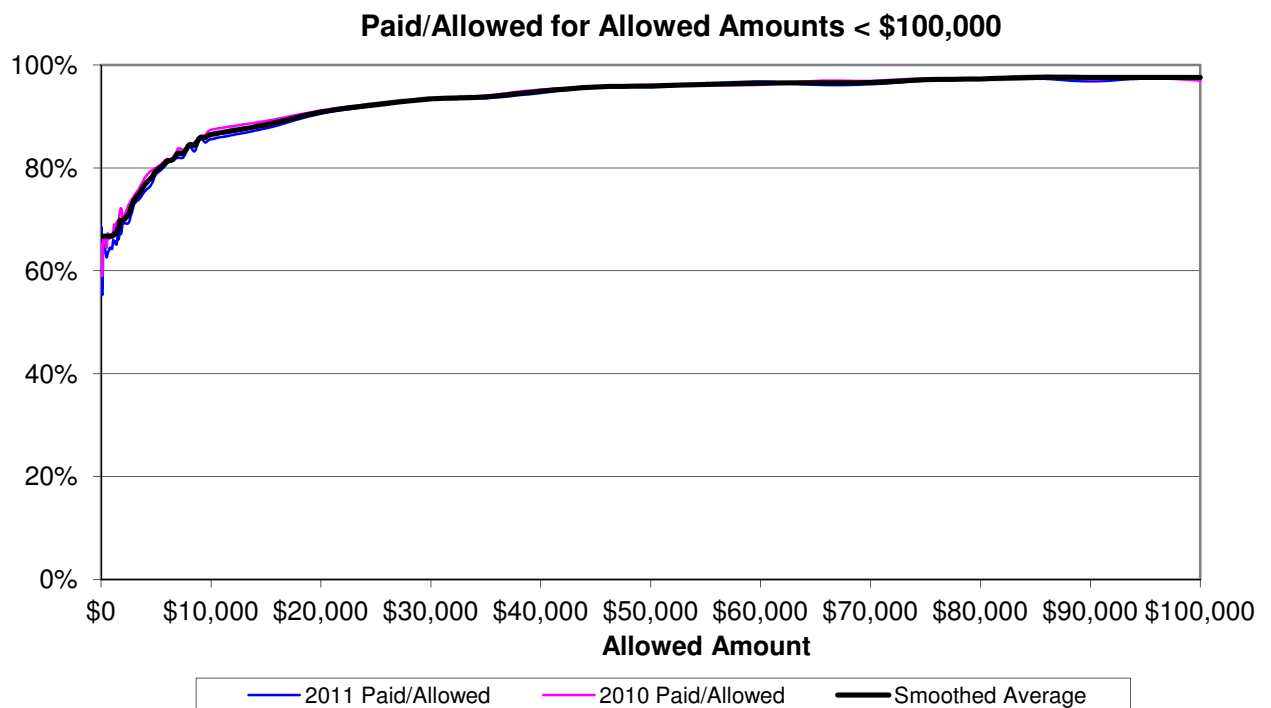
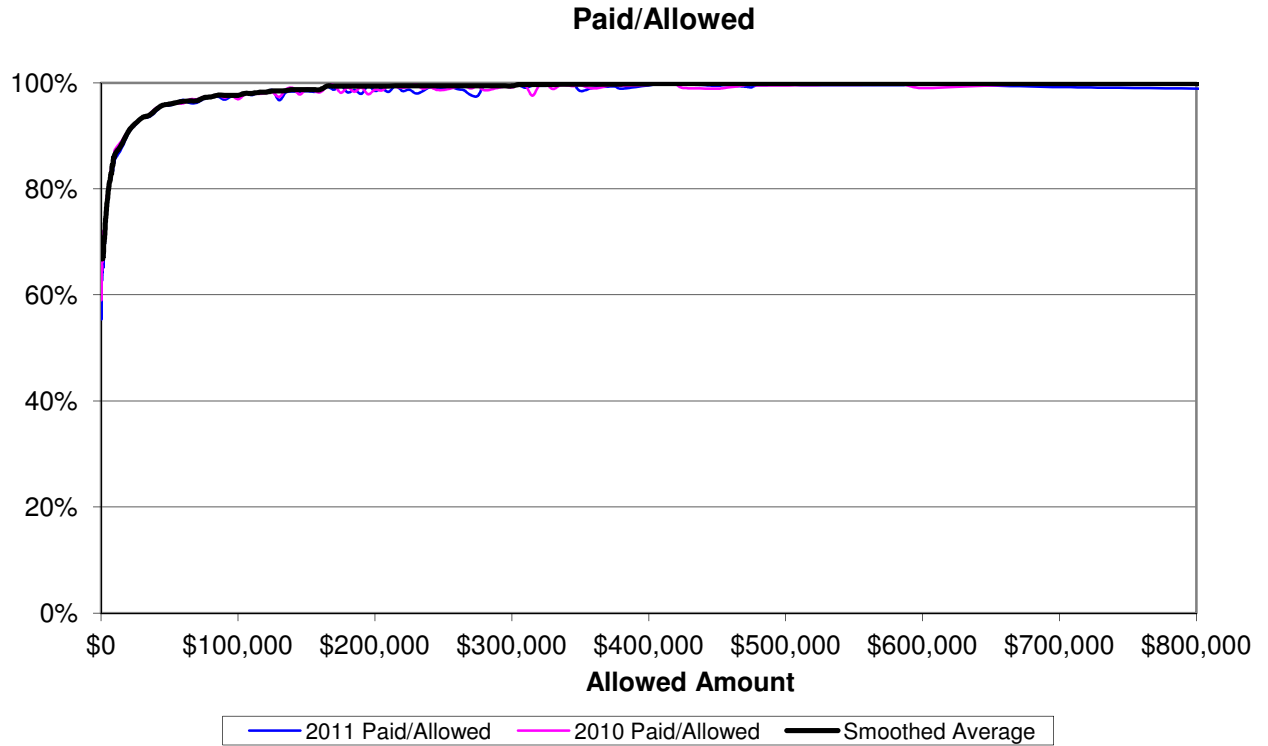
For each experience year, allowed charges and claim amounts were totaled for each claimant. These were then sorted into categories by the amount of allowed charges. The categories used were:

at_least	but_less_than
-	\$50
\$50	\$100
\$100	\$200
\$200	\$300
...	...
\$2,000	\$2,500
\$2,500	\$3,000
...	...
\$10,000	\$15,000
\$15,000	\$20,000
...	...

For each category, the ratio of the amount of the paid claim to the amount of allowed charges was calculated. The corresponding values for each year were averaged and the resulting values were smoothed. The result was a table of claims to allowed charges factors.

The following graphs show the observed and smoothed factors:

**The Vermont Health Plan
Provision for Large Claims Filing for 2013
Actuarial Memorandum**



**The Vermont Health Plan
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Trended Claims

We calculated the charge factors assuming experience periods begin on the first day of the quarter.

The allowed amounts by claimant for 2010 were trended by the observed trend from 2010 to 2011, and then by 6.0% per annum (the overall trend factor implied by the capped allowed trend in the approved Q1-Q2 2013 BCBSVT Trend filing). The allowed amounts for 2011 were trended forward at 6.0% per annum. For each claimant record, a claim amount was calculated by applying the appropriate factor from the claims-to-allowed amount factor table. A projected claim file was built by combining the trended 2010 records with two copies of the trended 2011 records (thus weighting the 2011 experience twice as heavily as the 2010 experience). For a set of limits (in increments of \$5000) the amounts in excess of the limit for each claim and the amounts under the limit for each claim were totaled, and the ratio of these calculated. This produced a factor, for each limit value, expressing claims above the limit in terms of claims below the limit.

A distribution of claims by amount was also generated from the 2011 Milliman Health Cost Guidelines distribution of allowed charges (adjusted for VT), by trending the distribution to produce the same expected average annual allowed charge per member as the trended BCBSVT/TVHP distribution, and then applying the claims-to-allowed-charges factors calculated above. Factors for claims above the limit as a percentage of those below the limit were calculated from this distribution.

The development of credibility factors to be applied to the BCBSVT/TVHP experience begins, as in previous BCBSVT Provision for Large Claims and Stop Loss filings, with the Q1 2008 established criteria of 1.00 for a \$30,000 limit, reduced uniformly to 0.01 for a \$195,000 limit. The \$30,000 and \$195,000 boundary values are increased by trend from Q1 2008 for all subsequent quarters.

For each limit, the ratio of the expected claims over the limit as a percentage of claims below the limit developed from the BCBSVT/TVHP distribution was divided by the corresponding ratio developed from the distribution derived from the Milliman data. The weighted average of these factors, weighted by the credibility factor for each limit, was then averaged with 1 and the resulting adjustment factor applied to the ratio of the expected claims over the limit as a percentage of claims below the limit developed from the Milliman data to produce adjusted Milliman ratios.¹

For each limit, the expected claims over the limit as a percentage of claims below the limit factors were then developed by applying the credibility factor to the factor based on BCBSVT/TVHP experience and adding (1-credibility factor) applied to the adjusted factors from the Milliman data. This calculation is demonstrated in Exhibit 1.

¹ This adjustment procedure is the result of discussions between the Vermont DFR's actuaries and BCBSVT's actuaries with respect to VFN 40518, Provision for Large Claims and Stop Loss Filing.

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Actuarial Memorandum**

Provision for Large Claims Factors

For TVHP experience rated business, the expected claims over the limit as a percentage of claims below the limit factors developed above are used to estimate claims over the pooling limit from the experience claims below the pooling limit. Exhibit 2 shows the provision for large claims factors for experience rated cases with experience periods starting quarters Q4 2011 through Q1 2013.

Net Cost of Reinsurance

TVHP has purchased reinsurance for claims in excess of \$325,000 for 2013, and expects to purchase similar reinsurance in subsequent years with limits approximately equal to the 2013 limit increased by trend. We estimate that the target loss ratio for the reinsurance is approximately 75%, which implies a cost of reinsurance of approximately 33% of claims above the reinsurance limit. For each pricing period starting quarter, we determined an annual cost of reinsurance for the trended reinsurance limit by multiplying the expected annual claims cost above the limit by 33%. Dividing this by 12 results in the PMPM cost of reinsurance. The table of PMPM's, based on pricing period starting quarter, is shown in Exhibit 3.

Actuarial Certification

I am a Fellow of the Society of Actuaries, a Member of the American Academy of Actuaries, and I meet the Academy's qualification standards for rendering opinions with regard to health rate filings.

Based on my review of the block's underlying experience and methods applied, it is my opinion that the rate factors set forth in this filing are adequate and are neither excessive nor unfairly discriminatory.



Donna M. Lee, F.S.A., M.A.A.A.

December 20, 2012

I HEREBY CERTIFY that I have reviewed the applicable filing requirements for this filing, and, to the best of my knowledge, the filing complies with all applicable statutory and regulatory provisions for the state of Vermont

A handwritten signature in blue ink, appearing to read "Kevin Goddard", written over a horizontal line.

Kevin Goddard
Vice President, External Affairs and Sales

12/27/12

Date

Health Filing Form F106 (7/98)
Required Information for All Filings & the Fee

NAIC#: 95696

Company Name

The Vermont Health Plan

Address:

PO Box 186

City, State, Zip:

Montpelier, VT 05601

Phone:

371-3450

Contact Person: Alison Partridge

Filing Contents: TVHP 2013 Provision for Large Claims Filing

1) New: ☒

Change: ☐

If a Change: Latest Approval Date _____ Vermont Filing #: _____

2) Rates: ☒

Forms: ☐

Rates & Forms: ☐

3) Policy: ☐

Contract: ☐

Amendment: ☐

Endorsement: ☐

Handbook: ☐

Rider: ☐

Certificate: ☐

Other: Outline

4) Individual: ☐

Small Group (1-50): ☐

Large Group (51+): ☒

All Groups: ☐

Type of Filing:

Accident Only: ☐

Dental: ☐

Miscellaneous: ☐

AD&D: ☐

Disability: ☐

Nursing Home Only: ☐

Advertising: ☐

Home Health Only: ☐

Organ Transplant: ☐

Blanket: ☐

Hospital Indemnity: ☐

Prescription Drug: ☐

Cancer Expense: ☐

Limited Benefit: ☐

Student/Athlete: ☐

Comprehensive/

Long Term Care:

Stop Loss/Excess Risk: ☐

Major Medical: ☐

Qualified: ☐

Travel: ☐

Conversion: ☐

Non-Qualified: ☐

Vision: ☐

Critical Illness: ☐

Medicare Supplement: ☐

Other: Health

Mandatory - Filing Fee Information:

1. State of Domicile: Vermont

2. Amount of Fee: \$50.00

3. Is the Fee you are sending based on your state of domicile's retaliatory fee? Yes ☐ No ☒

4. Explain how each part of the Fee was determined, showing all calculation (use separate sheet if necessary). Vermont filing fee

5. Fee calculated by: Jude Daye
(Printed Name)

(Signature)

The Vermont Health Plan
Provision for Large Claims Filing for 2013
Expected Large Claims Factor Development
Experience Period Starting Q4 2011

Exhibit 1

a	b	c	d	e=b/c	f=d*e	$g = \frac{c*(1+\sum f/\sum d)}{2}$	$h = \frac{b*d+g*(1-d)}{\text{Merit net claim factor}}$
<u>Limits</u>	<u>TVHP</u>	<u>Milliman</u>	<u>credibility</u>	<u>TVHP/ Milliman</u>	<u>_____</u>	<u>adj Milliman</u>	<u>claim factor</u>
30,000	32.2%	32.8%	100%	98%	0.9806	31.4%	32.2%
35,000	27.9%	28.7%	100%	97%	0.9710	27.5%	27.9%
40,000	24.5%	25.5%	98%	96%	0.9396	24.4%	24.5%
45,000	21.8%	22.9%	95%	95%	0.9059	21.9%	21.8%
50,000	19.6%	20.8%	92%	95%	0.8743	19.9%	19.7%
55,000	17.8%	19.0%	90%	94%	0.8461	18.1%	17.9%
60,000	16.3%	17.3%	87%	94%	0.8218	16.6%	16.3%
65,000	15.0%	16.0%	85%	93%	0.7918	15.3%	15.0%
70,000	13.8%	14.9%	82%	93%	0.7631	14.2%	13.9%
75,000	12.8%	13.8%	80%	93%	0.7382	13.2%	12.8%
80,000	11.8%	12.9%	77%	92%	0.7074	12.3%	11.9%
85,000	11.0%	12.0%	75%	91%	0.6813	11.5%	11.1%
90,000	10.3%	11.3%	72%	91%	0.6539	10.8%	10.4%
95,000	9.6%	10.6%	69%	90%	0.6263	10.2%	9.8%
100,000	9.0%	10.0%	67%	90%	0.6030	9.5%	9.2%
105,000	8.4%	9.4%	64%	89%	0.5754	9.0%	8.7%
110,000	8.0%	8.9%	62%	89%	0.5505	8.5%	8.2%
115,000	7.5%	8.4%	59%	89%	0.5258	8.1%	7.7%
120,000	7.1%	8.0%	57%	88%	0.5008	7.7%	7.3%
125,000	6.7%	7.6%	54%	88%	0.4780	7.3%	7.0%
130,000	6.4%	7.2%	52%	89%	0.4571	6.9%	6.6%
135,000	6.1%	6.9%	49%	88%	0.4314	6.6%	6.3%
140,000	5.8%	6.6%	46%	88%	0.4072	6.3%	6.0%
145,000	5.5%	6.3%	44%	88%	0.3842	6.0%	5.8%
150,000	5.2%	6.0%	41%	88%	0.3624	5.7%	5.5%
155,000	5.0%	5.7%	39%	88%	0.3419	5.4%	5.3%
160,000	4.8%	5.4%	36%	88%	0.3187	5.2%	5.0%
165,000	4.6%	5.2%	34%	87%	0.2944	5.0%	4.9%
170,000	4.4%	5.0%	31%	87%	0.2708	4.8%	4.7%
175,000	4.2%	4.8%	29%	87%	0.2479	4.6%	4.5%
180,000	4.0%	4.6%	26%	87%	0.2254	4.4%	4.3%
185,000	3.8%	4.4%	23%	87%	0.2033	4.2%	4.1%
190,000	3.7%	4.2%	21%	87%	0.1813	4.0%	4.0%
195,000	3.5%	4.1%	18%	86%	0.1581	3.9%	3.8%
200,000	3.4%	3.9%	16%	86%	0.1353	3.8%	3.7%
205,000	3.2%	3.8%	13%	85%	0.1129	3.6%	3.6%
210,000	3.1%	3.6%	11%	85%	0.0909	3.5%	3.4%
215,000	3.0%	3.5%	8%	85%	0.0691	3.3%	3.3%
220,000	2.9%	3.4%	6%	85%	0.0474	3.2%	3.2%
225,000	2.7%	3.2%	3%	86%	0.0257	3.1%	3.1%
230,000	2.6%	3.1%	0%	85%	0.0038	3.0%	3.0%
235,000	2.5%	3.0%	0%	84%	-	2.9%	2.9%
240,000	2.4%	2.9%	0%	83%	-	2.8%	2.8%
245,000	2.3%	2.8%	0%	83%	-	2.7%	2.7%

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Provision for Large Claims Filing for 2013
Expected Large Claims Factor Development
Experience Period Starting Q4 2011

Exhibit 1

a	b	c	d	e=b/c	f=d*e	$g = \frac{c*(1+\sum f/\sum d)}{2}$	$h = \frac{b*d+g*(1-d)}{\text{Merit net claim factor}}$
<u>Limits</u>	<u>TVHP</u>	<u>Milliman</u>	<u>credibility</u>	<u>TVHP/ Milliman</u>	<u>_____</u>	<u>adj Milliman</u>	<u>claim factor</u>
250,000	2.3%	2.7%	0%	82%	-	2.6%	2.6%
255,000	2.2%	2.6%	0%	82%	-	2.5%	2.5%
260,000	2.1%	2.5%	0%	82%	-	2.4%	2.4%
265,000	2.0%	2.5%	0%	82%	-	2.4%	2.4%
270,000	1.9%	2.4%	0%	82%	-	2.3%	2.3%
275,000	1.9%	2.3%	0%	83%	-	2.2%	2.2%
280,000	1.8%	2.2%	0%	82%	-	2.1%	2.1%
285,000	1.8%	2.2%	0%	81%	-	2.1%	2.1%
290,000	1.7%	2.1%	0%	81%	-	2.0%	2.0%
295,000	1.7%	2.0%	0%	83%	-	2.0%	2.0%
300,000	1.6%	2.0%	0%	81%	-	1.9%	1.9%
305,000	1.5%	1.9%	0%	80%	-	1.8%	1.8%
310,000	1.5%	1.9%	0%	80%	-	1.8%	1.8%
315,000	1.5%	1.8%	0%	80%	-	1.7%	1.7%
320,000	1.4%	1.8%	0%	80%	-	1.7%	1.7%
325,000	1.4%	1.7%	0%	81%	-	1.6%	1.6%
330,000	1.3%	1.6%	0%	81%	-	1.6%	1.6%
335,000	1.3%	1.6%	0%	81%	-	1.5%	1.5%
340,000	1.3%	1.5%	0%	82%	-	1.5%	1.5%
345,000	1.2%	1.5%	0%	82%	-	1.4%	1.4%
350,000	1.2%	1.4%	0%	83%	-	1.4%	1.4%
355,000	1.1%	1.4%	0%	84%	-	1.3%	1.3%
360,000	1.1%	1.3%	0%	85%	-	1.3%	1.3%
365,000	1.1%	1.3%	0%	84%	-	1.2%	1.2%
370,000	1.1%	1.3%	0%	86%	-	1.2%	1.2%
375,000	1.0%	1.2%	0%	83%	-	1.2%	1.2%
380,000	1.0%	1.2%	0%	82%	-	1.2%	1.2%
385,000	1.0%	1.2%	0%	81%	-	1.1%	1.1%
390,000	0.9%	1.2%	0%	81%	-	1.1%	1.1%
395,000	0.9%	1.1%	0%	81%	-	1.1%	1.1%
400,000	0.9%	1.1%	0%	80%	-	1.1%	1.1%
405,000	0.9%	1.1%	0%	80%	-	1.0%	1.0%
410,000	0.9%	1.1%	0%	82%	-	1.0%	1.0%
415,000	0.8%	1.0%	0%	80%	-	1.0%	1.0%
420,000	0.8%	1.0%	0%	81%	-	1.0%	1.0%
425,000	0.8%	1.0%	0%	79%	-	1.0%	1.0%
430,000	0.8%	1.0%	0%	79%	-	0.9%	0.9%
435,000	0.7%	0.9%	0%	79%	-	0.9%	0.9%
440,000	0.7%	0.9%	0%	79%	-	0.9%	0.9%
445,000	0.7%	0.9%	0%	79%	-	0.9%	0.9%
450,000	0.7%	0.9%	0%	79%	-	0.8%	0.8%
455,000	0.7%	0.8%	0%	79%	-	0.8%	0.8%
460,000	0.7%	0.8%	0%	82%	-	0.8%	0.8%
465,000	0.7%	0.8%	0%	84%	-	0.8%	0.8%

The Vermont Health Plan
Provision for Large Claims Filing for 2013
Expected Large Claims Factor Development
Experience Period Starting Q4 2011

Exhibit 1

a	b	c	d	e=b/c	f=d*e	$g = \frac{c * (1 + \sum f / \sum d)}{2}$	$h = \frac{b * d + g * (1 - d)}{\text{Merit net claim factor}}$
<u>Limits</u>	<u>TVHP</u>	<u>Milliman</u>	<u>credibility</u>	<u>TVHP / Milliman</u>	<u>_____</u>	<u>adj Milliman</u>	<u>claim factor</u>
470,000	0.6%	0.8%	0%	81%	-	0.7%	0.7%
475,000	0.6%	0.7%	0%	83%	-	0.7%	0.7%
480,000	0.6%	0.7%	0%	81%	-	0.7%	0.7%
485,000	0.6%	0.7%	0%	80%	-	0.7%	0.7%
490,000	0.6%	0.7%	0%	80%	-	0.7%	0.7%
495,000	0.6%	0.7%	0%	79%	-	0.7%	0.7%
500,000	0.5%	0.7%	0%	79%	-	0.7%	0.7%
505,000	0.5%	0.7%	0%	79%	-	0.7%	0.7%
510,000	0.5%	0.7%	0%	81%	-	0.6%	0.6%
515,000	0.5%	0.7%	0%	82%	-	0.6%	0.6%
520,000	0.5%	0.6%	0%	83%	-	0.6%	0.6%
525,000	0.5%	0.6%	0%	85%	-	0.6%	0.6%
530,000	0.5%	0.6%	0%	87%	-	0.6%	0.6%
535,000	0.5%	0.6%	0%	88%	-	0.6%	0.6%
540,000	0.5%	0.6%	0%	90%	-	0.6%	0.6%
545,000	0.5%	0.6%	0%	92%	-	0.6%	0.6%
550,000	0.5%	0.6%	0%	94%	-	0.5%	0.5%
555,000	0.5%	0.6%	0%	95%	-	0.5%	0.5%
560,000	0.4%	0.6%	0%	78%	-	0.5%	0.5%
565,000	0.4%	0.5%	0%	80%	-	0.5%	0.5%
570,000	0.4%	0.5%	0%	82%	-	0.5%	0.5%
575,000	0.4%	0.5%	0%	84%	-	0.5%	0.5%
580,000	0.4%	0.5%	0%	78%	-	0.5%	0.5%
585,000	0.4%	0.5%	0%	80%	-	0.5%	0.5%
590,000	0.4%	0.5%	0%	82%	-	0.5%	0.5%
595,000	0.4%	0.5%	0%	84%	-	0.4%	0.4%
600,000	0.4%	0.5%	0%	86%	-	0.4%	0.4%
605,000	0.4%	0.4%	0%	89%	-	0.4%	0.4%
610,000	0.3%	0.4%	0%	79%	-	0.4%	0.4%
615,000	0.3%	0.4%	0%	81%	-	0.4%	0.4%
620,000	0.3%	0.4%	0%	79%	-	0.4%	0.4%
625,000	0.3%	0.4%	0%	80%	-	0.4%	0.4%
630,000	0.3%	0.4%	0%	80%	-	0.4%	0.4%
635,000	0.3%	0.4%	0%	83%	-	0.4%	0.4%
640,000	0.3%	0.4%	0%	82%	-	0.3%	0.3%
645,000	0.3%	0.4%	0%	85%	-	0.3%	0.3%
650,000	0.3%	0.3%	0%	88%	-	0.3%	0.3%
655,000	0.3%	0.3%	0%	91%	-	0.3%	0.3%
660,000	0.3%	0.3%	0%	94%	-	0.3%	0.3%
665,000	0.3%	0.3%	0%	98%	-	0.3%	0.3%
670,000	0.3%	0.3%	0%	91%	-	0.3%	0.3%
675,000	0.3%	0.3%	0%	94%	-	0.3%	0.3%
680,000	0.3%	0.3%	0%	98%	-	0.3%	0.3%
685,000	0.3%	0.3%	0%	103%	-	0.3%	0.3%

The Vermont Health Plan
Provision for Large Claims Filing for 2013
Expected Large Claims Factor Development
Experience Period Starting Q4 2011

Exhibit 1

a	b	c	d	e=b/c	f=d*e	$g = \frac{c \cdot (1 + \sum f / \sum d)}{2}$	$h = \frac{b \cdot d + g \cdot (1 - d)}{\text{Merit net claim factor}}$
<u>Limits</u>	<u>TVHP</u>	<u>Milliman</u>	<u>credibility</u>	<u>TVHP/ Milliman</u>	<u>_____</u>	<u>adj Milliman</u>	<u>claim factor</u>
690,000	0.3%	0.3%	0%	107%	-	0.2%	0.2%
695,000	0.3%	0.2%	0%	112%	-	0.2%	0.2%
700,000	0.3%	0.2%	0%	118%	-	0.2%	0.2%
705,000	0.3%	0.2%	0%	124%	-	0.2%	0.2%
710,000	0.3%	0.2%	0%	132%	-	0.2%	0.2%
715,000	0.3%	0.2%	0%	139%	-	0.2%	0.2%
720,000	0.3%	0.2%	0%	148%	-	0.2%	0.2%
725,000	0.3%	0.2%	0%	158%	-	0.2%	0.2%
730,000	0.3%	0.2%	0%	170%	-	0.2%	0.2%
735,000	0.2%	0.1%	0%	143%	-	0.1%	0.1%
740,000	0.2%	0.1%	0%	152%	-	0.1%	0.1%
745,000	0.2%	0.1%	0%	166%	-	0.1%	0.1%
750,000	0.2%	0.1%	0%	183%	-	0.1%	0.1%
755,000	0.2%	0.1%	0%	204%	-	0.1%	0.1%
760,000	0.2%	0.1%	0%	231%	-	0.1%	0.1%
765,000	0.2%	0.1%	0%	265%	-	0.1%	0.1%
770,000	0.2%	0.1%	0%	311%	-	0.1%	0.1%
775,000	0.2%	0.1%	0%	377%	-	0.1%	0.1%
780,000	0.2%	0.0%	0%	480%	-	0.0%	0.0%
785,000	0.2%	0.0%	0%	654%	-	0.0%	0.0%
790,000	0.2%	0.0%	0%	1029%	-	0.0%	0.0%
795,000	0.2%	0.0%	0%	2476%	-	0.0%	0.0%
800,000	0.2%	0.0%	0%	100%	-	0.0%	0.0%
805,000	0.2%	0.0%	0%	100%	-	0.0%	0.0%
810,000	0.2%	0.0%	0%	100%	-	0.0%	0.0%
815,000	0.2%	0.0%	0%	100%	-	0.0%	0.0%
820,000	0.2%	0.0%	0%	100%	-	0.0%	0.0%
825,000	0.2%	0.0%	0%	100%	-	0.0%	0.0%
830,000	0.2%	0.0%	0%	100%	-	0.0%	0.0%
835,000	0.1%	0.0%	0%	100%	-	0.0%	0.0%
840,000	0.1%	0.0%	0%	100%	-	0.0%	0.0%
845,000	0.1%	0.0%	0%	100%	-	0.0%	0.0%
850,000	0.1%	0.0%	0%	100%	-	0.0%	0.0%
855,000	0.1%	0.0%	0%	100%	-	0.0%	0.0%
860,000	0.1%	0.0%	0%	100%	-	0.0%	0.0%
865,000	0.1%	0.0%	0%	100%	-	0.0%	0.0%
870,000	0.1%	0.0%	0%	100%	-	0.0%	0.0%
875,000	0.1%	0.0%	0%	100%	-	0.0%	0.0%
880,000	0.1%	0.0%	0%	100%	-	0.0%	0.0%
885,000	0.1%	0.0%	0%	100%	-	0.0%	0.0%
890,000	0.1%	0.0%	0%	100%	-	0.0%	0.0%
895,000	0.1%	0.0%	0%	100%	-	0.0%	0.0%
900,000	0.1%	0.0%	0%	100%	-	0.0%	0.0%
905,000	0.1%	0.0%	0%	100%	-	0.0%	0.0%

**The Vermont Health Plan
Provision for Large Claims Filing for 2013
Expected Large Claims Factor Development
Experience Period Starting Q4 2011**

Exhibit 1

a	b	c	d	e=b/c	f=d*e	$g = \frac{c * (1 + \sum f / \sum d)}{2}$	$h = \frac{b * d + g * (1 - d)}{\text{Merit net claim factor}}$
<u>Limits</u>	<u>TVHP</u>	<u>Milliman</u>	<u>credibility</u>	<u>TVHP/ Milliman</u>	<u> </u>	<u>adj Milliman</u>	<u>claim factor</u>
910,000	0.1%	0.0%	0%	100%	-	0.0%	0.0%
915,000	0.1%	0.0%	0%	100%	-	0.0%	0.0%
920,000	0.1%	0.0%	0%	100%	-	0.0%	0.0%
925,000	0.1%	0.0%	0%	100%	-	0.0%	0.0%
930,000	0.1%	0.0%	0%	100%	-	0.0%	0.0%
935,000	0.1%	0.0%	0%	100%	-	0.0%	0.0%
940,000	0.1%	0.0%	0%	100%	-	0.0%	0.0%
945,000	0.1%	0.0%	0%	100%	-	0.0%	0.0%
950,000	0.1%	0.0%	0%	100%	-	0.0%	0.0%
955,000	0.1%	0.0%	0%	100%	-	0.0%	0.0%
960,000	0.1%	0.0%	0%	100%	-	0.0%	0.0%
965,000	0.1%	0.0%	0%	100%	-	0.0%	0.0%
970,000	0.1%	0.0%	0%	100%	-	0.0%	0.0%
975,000	0.1%	0.0%	0%	100%	-	0.0%	0.0%
980,000	0.1%	0.0%	0%	100%	-	0.0%	0.0%
985,000	0.1%	0.0%	0%	100%	-	0.0%	0.0%
990,000	0.1%	0.0%	0%	100%	-	0.0%	0.0%
995,000	0.1%	0.0%	0%	100%	-	0.0%	0.0%
1,000,000	0.1%	0.0%	0%	100%	-	0.0%	0.0%

**The Vermont Health Plan
Provision for Large Claims Filing for 2013
Pooling Charge Factors**

Exhibit 2

<u>Limit</u>	<u>Experience Period Starting Quarter</u>					<u>Q1 2013</u> <u>claim*</u> <u>factor</u>
	<u>Q4 2011</u> <u>claim*</u> <u>factor</u>	<u>Q1 2012</u> <u>claim*</u> <u>factor</u>	<u>Q2 2012</u> <u>claim*</u> <u>factor</u>	<u>Q3 2012</u> <u>claim*</u> <u>factor</u>	<u>Q4 2012</u> <u>claim*</u> <u>factor</u>	
\$30,000	32.2%	32.6%	33.1%	33.5%	33.9%	34.4%
\$35,000	27.9%	28.3%	28.6%	29.0%	29.4%	29.8%
\$40,000	24.5%	24.9%	25.2%	25.5%	25.9%	26.3%
\$45,000	21.8%	22.1%	22.5%	22.8%	23.1%	23.4%
\$50,000	19.7%	19.9%	20.2%	20.5%	20.8%	21.1%
\$55,000	17.9%	18.1%	18.4%	18.6%	18.9%	19.2%
\$60,000	16.3%	16.6%	16.8%	17.1%	17.3%	17.6%
\$65,000	15.0%	15.3%	15.5%	15.7%	15.9%	16.2%
\$70,000	13.9%	14.1%	14.3%	14.5%	14.8%	15.0%
\$75,000	12.8%	13.0%	13.3%	13.5%	13.7%	13.9%
\$80,000	11.9%	12.1%	12.3%	12.5%	12.7%	12.9%
\$85,000	11.1%	11.3%	11.5%	11.7%	11.9%	12.1%
\$90,000	10.4%	10.6%	10.8%	10.9%	11.1%	11.3%
\$95,000	9.8%	9.9%	10.1%	10.3%	10.4%	10.6%
\$100,000	9.2%	9.3%	9.5%	9.7%	9.8%	10.0%
\$105,000	8.7%	8.8%	9.0%	9.1%	9.3%	9.4%
\$110,000	8.2%	8.3%	8.5%	8.6%	8.8%	8.9%
\$115,000	7.7%	7.9%	8.0%	8.2%	8.3%	8.5%
\$120,000	7.3%	7.5%	7.6%	7.7%	7.9%	8.0%
\$125,000	7.0%	7.1%	7.2%	7.4%	7.5%	7.6%
\$130,000	6.6%	6.8%	6.9%	7.0%	7.1%	7.3%
\$135,000	6.3%	6.4%	6.5%	6.7%	6.8%	6.9%
\$140,000	6.0%	6.2%	6.3%	6.4%	6.5%	6.6%
\$145,000	5.8%	5.9%	6.0%	6.1%	6.2%	6.3%
\$150,000	5.5%	5.6%	5.7%	5.8%	6.0%	6.1%
\$155,000	5.3%	5.4%	5.5%	5.6%	5.7%	5.8%
\$160,000	5.0%	5.1%	5.2%	5.3%	5.5%	5.6%
\$165,000	4.9%	4.9%	5.0%	5.1%	5.2%	5.3%
\$170,000	4.7%	4.8%	4.8%	4.9%	5.0%	5.1%
\$175,000	4.5%	4.6%	4.7%	4.7%	4.8%	4.9%
\$180,000	4.3%	4.4%	4.5%	4.6%	4.7%	4.8%
\$185,000	4.1%	4.2%	4.3%	4.4%	4.5%	4.6%
\$190,000	4.0%	4.0%	4.1%	4.2%	4.3%	4.4%
\$195,000	3.8%	3.9%	4.0%	4.1%	4.2%	4.2%
\$200,000	3.7%	3.8%	3.8%	3.9%	4.0%	4.1%

*Percentages to be applied to experience claims below limit, to derive expected claims over limit.

**The Vermont Health Plan
Provision for Large Claims Filing for 2013
Pooling Charge Factors**

Exhibit 2

<u>Limit</u>	<u>Experience Period Starting Quarter</u>					<u>Q1 2013</u> <u>claim*</u> <u>factor</u>
	<u>Q4 2011</u> <u>claim*</u> <u>factor</u>	<u>Q1 2012</u> <u>claim*</u> <u>factor</u>	<u>Q2 2012</u> <u>claim*</u> <u>factor</u>	<u>Q3 2012</u> <u>claim*</u> <u>factor</u>	<u>Q4 2012</u> <u>claim*</u> <u>factor</u>	
\$205,000	3.6%	3.6%	3.7%	3.8%	3.9%	3.9%
\$210,000	3.4%	3.5%	3.6%	3.7%	3.7%	3.8%
\$215,000	3.3%	3.4%	3.5%	3.5%	3.6%	3.7%
\$220,000	3.2%	3.3%	3.3%	3.4%	3.5%	3.6%
\$225,000	3.1%	3.1%	3.2%	3.3%	3.4%	3.5%
\$230,000	3.0%	3.0%	3.1%	3.2%	3.3%	3.3%
\$235,000	2.9%	2.9%	3.0%	3.1%	3.1%	3.2%
\$240,000	2.8%	2.9%	2.9%	3.0%	3.0%	3.1%
\$245,000	2.7%	2.8%	2.8%	2.9%	2.9%	3.0%
\$250,000	2.6%	2.7%	2.7%	2.8%	2.9%	2.9%
\$255,000	2.5%	2.6%	2.7%	2.7%	2.8%	2.8%
\$260,000	2.4%	2.5%	2.6%	2.6%	2.7%	2.8%
\$265,000	2.4%	2.4%	2.5%	2.5%	2.6%	2.7%
\$270,000	2.3%	2.3%	2.4%	2.5%	2.5%	2.6%
\$275,000	2.2%	2.2%	2.3%	2.4%	2.4%	2.5%
\$280,000	2.1%	2.2%	2.2%	2.3%	2.4%	2.4%
\$285,000	2.1%	2.1%	2.2%	2.2%	2.3%	2.3%
\$290,000	2.0%	2.1%	2.1%	2.1%	2.2%	2.3%
\$295,000	2.0%	2.0%	2.0%	2.1%	2.1%	2.2%
\$300,000	1.9%	1.9%	2.0%	2.0%	2.1%	2.1%
\$305,000	1.8%	1.9%	1.9%	2.0%	2.0%	2.1%
\$310,000	1.8%	1.8%	1.9%	1.9%	2.0%	2.0%
\$315,000	1.7%	1.8%	1.8%	1.9%	1.9%	2.0%
\$320,000	1.7%	1.7%	1.8%	1.8%	1.9%	1.9%
\$325,000	1.6%	1.7%	1.7%	1.8%	1.8%	1.9%
\$330,000	1.6%	1.6%	1.7%	1.7%	1.8%	1.8%
\$335,000	1.5%	1.6%	1.6%	1.7%	1.7%	1.8%
\$340,000	1.5%	1.5%	1.6%	1.6%	1.7%	1.7%
\$345,000	1.4%	1.5%	1.5%	1.6%	1.6%	1.7%
\$350,000	1.4%	1.4%	1.5%	1.5%	1.6%	1.6%
\$355,000	1.3%	1.4%	1.4%	1.5%	1.5%	1.6%
\$360,000	1.3%	1.3%	1.4%	1.4%	1.5%	1.5%
\$365,000	1.2%	1.3%	1.3%	1.4%	1.4%	1.5%
\$370,000	1.2%	1.2%	1.3%	1.3%	1.4%	1.4%
\$375,000	1.2%	1.2%	1.2%	1.3%	1.3%	1.4%

*Percentages to be applied to experience claims below limit, to derive expected claims over limit.

**The Vermont Health Plan
Provision for Large Claims Filing for 2013
Pooling Charge Factors**

Exhibit 2

<u>Limit</u>	<u>Experience Period Starting Quarter</u>					<u>Q1 2013</u> <u>claim*</u> <u>factor</u>
	<u>Q4 2011</u> <u>claim*</u> <u>factor</u>	<u>Q1 2012</u> <u>claim*</u> <u>factor</u>	<u>Q2 2012</u> <u>claim*</u> <u>factor</u>	<u>Q3 2012</u> <u>claim*</u> <u>factor</u>	<u>Q4 2012</u> <u>claim*</u> <u>factor</u>	
\$380,000	1.2%	1.2%	1.2%	1.2%	1.3%	1.3%
\$385,000	1.1%	1.2%	1.2%	1.2%	1.2%	1.3%
\$390,000	1.1%	1.1%	1.2%	1.2%	1.2%	1.2%
\$395,000	1.1%	1.1%	1.1%	1.2%	1.2%	1.2%
\$400,000	1.1%	1.1%	1.1%	1.1%	1.2%	1.2%
\$405,000	1.0%	1.1%	1.1%	1.1%	1.1%	1.2%
\$410,000	1.0%	1.0%	1.1%	1.1%	1.1%	1.2%
\$415,000	1.0%	1.0%	1.1%	1.1%	1.1%	1.1%
\$420,000	1.0%	1.0%	1.0%	1.1%	1.1%	1.1%
\$425,000	1.0%	1.0%	1.0%	1.0%	1.1%	1.1%
\$430,000	0.9%	1.0%	1.0%	1.0%	1.0%	1.1%
\$435,000	0.9%	0.9%	1.0%	1.0%	1.0%	1.0%
\$440,000	0.9%	0.9%	0.9%	1.0%	1.0%	1.0%
\$445,000	0.9%	0.9%	0.9%	0.9%	1.0%	1.0%
\$450,000	0.8%	0.9%	0.9%	0.9%	1.0%	1.0%
\$455,000	0.8%	0.8%	0.9%	0.9%	0.9%	1.0%
\$460,000	0.8%	0.8%	0.8%	0.9%	0.9%	0.9%
\$465,000	0.8%	0.8%	0.8%	0.9%	0.9%	0.9%
\$470,000	0.7%	0.8%	0.8%	0.8%	0.9%	0.9%
\$475,000	0.7%	0.7%	0.8%	0.8%	0.8%	0.9%
\$480,000	0.7%	0.7%	0.8%	0.8%	0.8%	0.8%
\$485,000	0.7%	0.7%	0.7%	0.8%	0.8%	0.8%
\$490,000	0.7%	0.7%	0.7%	0.7%	0.8%	0.8%
\$495,000	0.7%	0.7%	0.7%	0.7%	0.8%	0.8%
\$500,000	0.7%	0.7%	0.7%	0.7%	0.7%	0.8%
\$505,000	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%
\$510,000	0.6%	0.7%	0.7%	0.7%	0.7%	0.7%
\$515,000	0.6%	0.6%	0.7%	0.7%	0.7%	0.7%
\$520,000	0.6%	0.6%	0.6%	0.7%	0.7%	0.7%
\$525,000	0.6%	0.6%	0.6%	0.7%	0.7%	0.7%
\$530,000	0.6%	0.6%	0.6%	0.6%	0.7%	0.7%
\$535,000	0.6%	0.6%	0.6%	0.6%	0.6%	0.7%
\$540,000	0.6%	0.6%	0.6%	0.6%	0.6%	0.7%
\$545,000	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%
\$550,000	0.5%	0.6%	0.6%	0.6%	0.6%	0.6%

*Percentages to be applied to experience claims below limit, to derive expected claims over limit.

**The Vermont Health Plan
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Pooling Charge Factors**

Exhibit 2

<u>Limit</u>	<u>Experience Period Starting Quarter</u>					<u>Q1 2013</u> <u>claim*</u> <u>factor</u>
	<u>Q4 2011</u> <u>claim*</u> <u>factor</u>	<u>Q1 2012</u> <u>claim*</u> <u>factor</u>	<u>Q2 2012</u> <u>claim*</u> <u>factor</u>	<u>Q3 2012</u> <u>claim*</u> <u>factor</u>	<u>Q4 2012</u> <u>claim*</u> <u>factor</u>	
\$555,000	0.5%	0.6%	0.6%	0.6%	0.6%	0.6%
\$560,000	0.5%	0.5%	0.6%	0.6%	0.6%	0.6%
\$565,000	0.5%	0.5%	0.6%	0.6%	0.6%	0.6%
\$570,000	0.5%	0.5%	0.5%	0.6%	0.6%	0.6%
\$575,000	0.5%	0.5%	0.5%	0.5%	0.6%	0.6%
\$580,000	0.5%	0.5%	0.5%	0.5%	0.6%	0.6%
\$585,000	0.5%	0.5%	0.5%	0.5%	0.5%	0.6%
\$590,000	0.5%	0.5%	0.5%	0.5%	0.5%	0.6%
\$595,000	0.4%	0.5%	0.5%	0.5%	0.5%	0.5%
\$600,000	0.4%	0.5%	0.5%	0.5%	0.5%	0.5%
\$605,000	0.4%	0.4%	0.5%	0.5%	0.5%	0.5%
\$610,000	0.4%	0.4%	0.5%	0.5%	0.5%	0.5%
\$615,000	0.4%	0.4%	0.4%	0.5%	0.5%	0.5%
\$620,000	0.4%	0.4%	0.4%	0.5%	0.5%	0.5%
\$625,000	0.4%	0.4%	0.4%	0.4%	0.5%	0.5%
\$630,000	0.4%	0.4%	0.4%	0.4%	0.4%	0.5%
\$635,000	0.4%	0.4%	0.4%	0.4%	0.4%	0.5%
\$640,000	0.3%	0.4%	0.4%	0.4%	0.4%	0.4%
\$645,000	0.3%	0.4%	0.4%	0.4%	0.4%	0.4%
\$650,000	0.3%	0.3%	0.4%	0.4%	0.4%	0.4%
\$655,000	0.3%	0.3%	0.4%	0.4%	0.4%	0.4%
\$660,000	0.3%	0.3%	0.3%	0.4%	0.4%	0.4%
\$665,000	0.3%	0.3%	0.3%	0.4%	0.4%	0.4%
\$670,000	0.3%	0.3%	0.3%	0.3%	0.4%	0.4%
\$675,000	0.3%	0.3%	0.3%	0.3%	0.4%	0.4%
\$680,000	0.3%	0.3%	0.3%	0.3%	0.3%	0.4%
\$685,000	0.3%	0.3%	0.3%	0.3%	0.3%	0.4%
\$690,000	0.2%	0.3%	0.3%	0.3%	0.3%	0.3%
\$695,000	0.2%	0.3%	0.3%	0.3%	0.3%	0.3%
\$700,000	0.2%	0.2%	0.3%	0.3%	0.3%	0.3%
\$705,000	0.2%	0.2%	0.3%	0.3%	0.3%	0.3%
\$710,000	0.2%	0.2%	0.2%	0.3%	0.3%	0.3%
\$715,000	0.2%	0.2%	0.2%	0.3%	0.3%	0.3%
\$720,000	0.2%	0.2%	0.2%	0.2%	0.3%	0.3%
\$725,000	0.2%	0.2%	0.2%	0.2%	0.3%	0.3%

*Percentages to be applied to experience claims below limit, to derive expected claims over limit.

**The Vermont Health Plan
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Pooling Charge Factors**

Exhibit 2

<u>Limit</u>	<u>Experience Period Starting Quarter</u>					<u>Q1 2013</u> <u>claim*</u> <u>factor</u>
	<u>Q4 2011</u> <u>claim*</u> <u>factor</u>	<u>Q1 2012</u> <u>claim*</u> <u>factor</u>	<u>Q2 2012</u> <u>claim*</u> <u>factor</u>	<u>Q3 2012</u> <u>claim*</u> <u>factor</u>	<u>Q4 2012</u> <u>claim*</u> <u>factor</u>	
\$730,000	0.2%	0.2%	0.2%	0.2%	0.2%	0.3%
\$735,000	0.1%	0.2%	0.2%	0.2%	0.2%	0.3%
\$740,000	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%
\$745,000	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%
\$750,000	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%
\$755,000	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%
\$760,000	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%
\$765,000	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%
\$770,000	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%
\$775,000	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%
\$780,000	0.0%	0.1%	0.1%	0.1%	0.1%	0.2%
\$785,000	0.0%	0.1%	0.1%	0.1%	0.1%	0.2%
\$790,000	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%
\$795,000	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%
\$800,000	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%
\$805,000	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%
\$810,000	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%
\$815,000	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%
\$820,000	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%
\$825,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
\$830,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
\$835,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$840,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$845,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$850,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$855,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$860,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$865,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$870,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$875,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$880,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$885,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$890,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$895,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$900,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

*Percentages to be applied to experience claims below limit, to derive expected claims over limit.

**The Vermont Health Plan
Provision for Large Claims Filing for 2013
Pooling Charge Factors**

Exhibit 2

<u>Limit</u>	<u>Experience Period Starting Quarter</u>					<u>Q1 2013</u> <u>claim*</u> <u>factor</u>
	<u>Q4</u> <u>2011</u>	<u>Q1</u> <u>2012</u>	<u>Q2</u> <u>2012</u>	<u>Q3</u> <u>2012</u>	<u>Q4</u> <u>2012</u>	
	<u>claim*</u> <u>factor</u>	<u>claim*</u> <u>factor</u>	<u>claim*</u> <u>factor</u>	<u>claim*</u> <u>factor</u>	<u>claim*</u> <u>factor</u>	
\$905,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$910,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$915,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$920,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$925,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$930,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$935,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$940,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$945,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$950,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$955,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$960,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$965,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$970,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$975,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$980,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$985,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$990,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$995,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$1,000,000	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

*Percentages to be applied to experience claims below limit, to derive expected claims over limit.

**The Vermont Health Plan
Provision for Large Claims Filing for 2013
Net Cost of Reinsurance (PMPM)**

Exhibit 3

Pricing Period Starting Quarter					
<u>Q2 2013</u>	<u>Q3 2013</u>	<u>Q4 2013</u>	<u>Q1 2014</u>	<u>Q2 2014</u>	<u>Q3 2014</u>
\$2.59	\$2.62	\$2.66	\$2.70	\$2.74	\$2.78